



## JOINT MEETING OF THE MILPITAS CITY COUNCIL AND THE MILPITAS HOUSING AUTHORITY

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122  
Para sa Tagalog, tumawag sa 408-586-3051  
Para español, llame 408-586-3232

### AGENDA

**TUESDAY, MARCH 3, 2020**  
**CITY COUNCIL CHAMBERS, 455 E CALAVERAS BLVD, MILPITAS, CA**  
**6:00 PM (CLOSED SESSION)**  
**7:00 PM (PUBLIC BUSINESS)**

**CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk**

**ADJOURN TO CLOSED SESSION** (6:00 - 7:00 PM)

**a) CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to California Government Code §54957.6

Agency designated representative: Human Resources Director Liz Brown

Employee Groups: Milpitas Employees Association, Mid Management and Confidential employees, and unrepresented employees

**b) CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to California Government Code §54957.6

Agency designated representative: Mayor Rich Tran

Unrepresented Employee: City Manager

**CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session, if required per Government Code Section 54957.1, including the vote or abstention of each member present

**PLEDGE OF ALLEGIANCE**

**INVOCATION**

**PRESENTATION**

- Proclaim March as American Red Cross Month

**PUBLIC FORUM** (7:05 - 7:25 PM)

Those in the audience are invited to address City Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit spoken remarks to three minutes or less. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. Council may instruct the City Manager to place the item on a future meeting agenda.

## **ANNOUNCEMENTS AND FUTURE AGENDA ITEMS** (7:25 – 7:35 PM)

Members of the City Council may make brief announcements or suggest future agenda items at this time. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a “yes” or “no” as to whether to direct the City Manager to place the item on a future meeting agenda. If a majority of the City Council agrees to place an item on a future meeting agenda, the City Manager shall place the item on a subsequent agenda for City Council discussion.

## **ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS**

### **APPROVAL OF AGENDA**

#### **CONSENT CALENDAR** (7:35 - 7:45 PM)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a City Councilmember, member of the audience or staff requests the Council to remove an item from (or be added to) the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar.

**C1.** **Receive City Council Calendar of Meetings for March 2020 (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Receive City Council Calendar of meetings for March 2020.

**C2.** **Approve City Council Meeting Minutes of January 28, January 31 and February 4, 2020 (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Approve meeting minutes of the January 28 special budget study session, January 31, 2020 joint meeting with the Rules Subcommittee and the February 4, 2020 regular City Council meeting.

**C3.** **Adopt Ordinance No. 38.835 to Establish Regulations for Short-Term Rentals (Staff Contact: Daniel Degu, Sr., 408-586-3054)**

Recommendation: Waive the second reading and adopt Ordinance No. 38.835, amending Milpitas Municipal Code Title XI, Chapter 10, Sections 2, 4, 6, 13, and 53 to establish regulations for Short-Term Rentals.

**C4.** **Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 95-1 (McCarthy Ranch) (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Adopt a resolution to initiate proceedings for the annual levy and collection of assessments and ordering preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch.

**C5.** **Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 98-1 Sinclair Horizon (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Adopt a resolution to initiate proceedings for the annual levy and collection of assessments and ordering preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon.



**C6. Adopt a Resolution Acknowledging Receipt by City Council of a State Mandated Compliance Report on Required Annual Fire Inspection of Certain Occupancies (Staff Contact: Albert Zamora, 408-586-3371)**

Recommendation: Adopt a Resolution acknowledging receipt of the report herein by the Milpitas Fire Department regarding the inspection of certain occupancies requiring annual inspections pursuant to sections CA HSC §13146.2 and §13146.3 of the CA Health and Safety Code.

**C7. Adopt a Resolution Granting Acceptance of the Transit Area Specific Plan On-Street Parking Program Project No. 2017, authorizing the City Engineer to file a Notice of Completion, and to authorize the City Engineer to issue a Notice of Final Acceptance (Staff Contact: Steve Chan, 408-586-3324)**

Recommendation: Adopt a resolution granting acceptance of the Transit Area Specific Plan On-Street Parking Program, Project No. 2017, authorizing the City Engineer to file a Notice of Completion, and to authorize the City Engineer to issue a Notice of Final Acceptance after the one-year warranty.

**C8. Approve the List of Pre-qualified Bidders and Authorize Advertisement for Bids of Fire Station No. 2 Replacement, Project No. 3447 (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Approve List of Pre-qualified bidders and authorize advertisement for bids for Fire Station No. 2 Replacement, Project No. 3447.

**C9. Authorize the Interim City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc. for the Holiday Inn Project at 1100 Cadillac Court (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Authorize the Interim City Manager to execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc. for the Holiday Inn development project at 1100 Cadillac Court.

**C10. Approve and Authorize the City Manager to Execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by Increasing the Not to Exceed Amount from \$59,340 to \$209,061 (Staff Contact: Henry Kwong, 408-586-2419)**

Recommendations:

(1) Approve and authorize the City Manager to execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by increasing the not to exceed amount from \$59,340 to \$209,061.

(2) Authorize the transfer of \$149,721 from the City Manager's Contingency Fund to the CIP Project No. 3423, Police Records Management System.

**C11. Consider and Approve a Fee Waiver for Temporary Banner Sign Permit Fee of \$112.86 for the Milpitas Friends of the Library (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Consider request received by the City Clerk on February 7, 2020 and approve fee waiver of \$112.86 for cost of Temporary Banner Sign Permit to hang Book Sale Banner on the Library (outdoors) on six dates in 2020.

**C12. Consider and Approve Fee Waiver for Special Event Permit Fee and Sinnott Park Rental for the Christ Community Church's Easter Egg Hunt Community Event on April 4, 2020 (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Consider request received by the City Clerk on February 3 and approve fee waiver of \$1,500 maximum for Christ Community Church towards Special Event Permit Fee (\$923.63) and partial (2) Park Rental Fee (\$567.37) for Sinnott Park on April 4, 2020 for Easter Egg Hunt community event.

**C13. Receive Summary Report on Assembly Bill 291 and Senate Bill 378 and Authorize Letters of Support (Staff Contact: Christopher Diaz, 408-586-3040)**

Recommendation: Receive summary report on Assembly Bill 291 and Senate Bill 378 and authorize letters of support.

**C14. Per Mayor Tran, Move to Approve the Appointment of Mercedes Albana to Serve on the Milpitas Planning Commission (Contact: Mayor Tran, 408-586-3029)**

Recommendation: Per recommendation of Mayor Tran, move to appoint Mercedes Albana to a term of three years on the Milpitas Planning Commission in a term that will expire in December 2022.

**PUBLIC HEARING (7:45 - 7:50 PM)**

**15. Conduct a Public Hearing for the 2020 Weed Abatement Program and Adopt a Resolution to Abate the Weeds (Staff Contact: Albert Zamora, 408-586-3371)**

Recommendations:

(1) Open the Public Hearing and move to close the hearing following any comments.

(2) Adopt a resolution directing the County of Santa Clara Consumer and Environmental Protection Agency-Weed Abatement Program to abate the nuisance, keep an account of the cost, and embody such account in a report and assessment list to the City Council, in accordance with the Milpitas Municipal Code.

**COMMUNITY DEVELOPMENT (7:50 - 9:00 PM)**

**16. Receive presentation on reducing exposure to Secondhand Smoke in multi-unit housing and authorize the City Manager to draft policies for future consideration by the City Council (Staff Contact: Jessica Garner, 408-586-3284)**

Recommendation: Receive the presentation and authorize the City Manager to conduct public outreach, develop policy options to prohibit smoking and exposure to secondhand smoke in multi-unit housing, and prepare an implementation plan for future consideration and adoption by the City Council.

**17. Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and Authorize the Submittal of Both Reports to California Department of Housing and Community Development (HCD) (Staff Contact: Sharon Goei, 408-586-3260)**

Recommendation: Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and authorize the submittal of both reports to California Department of Housing and Community Development (HCD)

**18. Receive Report on the Pilot Rent Relief Program, Approve Budget Amendment, and Authorize the City Manager to Execute an Amendment to the Professional Services Agreement with Silicon Valley Independent Living Center (Staff Contact: Sharon Goei, 408-586-3260)**

Recommendations:

- (1) Receive report on the Pilot Rent Relief Program.
- (2) Approve a budget amendment to appropriate an additional \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to fund the Pilot Rent Relief Program.
- (3) Authorize the City Manager to prepare and execute an amendment to the one-year Professional Services Agreement with Silicon Valley Independent Living Center to include the additional \$100,000 for the management of the Pilot Rent Relief Program.

**COMMUNITY SERVICES AND SUSTAINABLE INFRASTRUCTURE (9:00 - 9:15 PM)**

**19. Approve and Authorize the City Manager to Execute a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed Amount of \$8,419,055.76 over five-years, subject to annual appropriation of funds (Staff Contacts: Tony Ndah, 408-586-2602 and Chris Schroeder, 408-586-3161)**

Recommendation: Approve and authorize the City Manager to execute a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed amount of \$8,419,055.76 over the five-year contract period, subject to annual appropriation of funds.

**LEADERSHIP AND SUPPORT SERVICES (9:15 - 10:15 PM)**

**20. Adopt a Resolution to amend the City of Milpitas Classification Plan to adjust the Salary Ranges of Unrepresented Police Management and Unrepresented Fire Management classifications and Adopt the Pay Schedule Titled "All Job Classifications/Salary Table" (Staff Contact: Liz Brown, 408-526-3086)**

Recommendations:

- (1) Adopt a resolution amending the Classification Plan adjusting Salary Ranges for Unrepresented Police Management and specific Unrepresented Fire Management Classifications by 10.69% and adopting the Pay Schedule Titled "All Job Classifications/Salary Table."
- (2) Approve salary increases for the Unrepresented Police Management by 10.69%.

**21. Review the Pension Actuarial Report and Direct Staff to Return to the Council with the necessary Documents for the Establishment of a 115 Pension Trust (Staff Contact: Walter C. Rossmann, 408-586-3111)**

Recommendation: Review the Pension Actuarial Report and direct staff to return to City Council with the necessary documents for the establishment of a 115 Pension Trust.

**22. Approve and Authorize the City Manager to Execute the Agreement with Chandler Asset Management for a Five-Year Contract Amount Not to Exceed \$790,000 for Investment Services (Staff Contact: Walter Rossmann, 408-586-3111)**

Recommendation: Approve and authorize the City Manager to execute the agreement with Chandler Asset Management for a five-year contract amount not to exceed \$790,000, with the first year of the contract in the amount of \$150,000, for investment services to manage the City's pooled portfolio, subject to the annual appropriation of funds.

**23. Receive a Report on 2020 Citywide Community Engagement Survey (Staff Contact: Ashwini Kantak, 408-586-3053)**

Recommendation: Receive a report on results of the 2020 Citywide Community Engagement Survey.

**REPORTS OF MAYOR & COUNCILMEMBERS - from assigned Commissions, Committees and Agencies (10:15 - 11:00 PM)**

**24. Receive and Direct Staff on Scheduling Agenda Items Requested by City Councilmembers (Contact: Mayor Tran, 408-586-3029)**

Recommendation: Review list of items presented (list in agenda packet) that have been requested by City Councilmembers on a form, at a Council meeting, or through the City Manager. Direct items to Rules or other Council Subcommittee, to be placed onto a specific meeting date, or specify alternate direction to staff. No substantive discussion about any specific item shall occur and the City Council shall hold all debate about the item until the item is scheduled as a full agenda item.

**25. Receive Report of City Council Rules Subcommittee (Contacts: Mayor Tran, 408-586-3029 and Councilmember Dominguez, 408-586-3031)**

Recommendation: Hear report from the two members of the City Council Rules Subcommittee, with any comments from the January 31, 2020 meeting (joint meeting with full City Council). Members may review agenda items requested at the Subcommittee Meeting (see meeting minutes draft).

**26. Hear Request of Councilmember Phan and Mayor Tran in Support of "Laura's Law" (Contacts: Councilmember Anthony Phan, 408-586-3032 and Mayor Tran, 408-586-3029)**

Recommendation: Hear request of Councilmember Phan and Mayor Tran in support of "Laura's Law" and consider directing staff to send letter of support to County of Santa Clara.

**27. Receive Report of City Council Housing Subcommittee (Contacts: Councilmember Montano, 408-586-3024 and Vice Mayor Nuñez, 408-586-3023)**

Recommendation: Hear report from the two members of the City Council Housing Subcommittee, with any comments from the January 14, 2020 meeting.

**28. Receive Report of City Council Transportation Subcommittee (Contacts: Mayor Tran, 408-586-3029 and Councilmember Montano, 408-586-3024)**

Recommendation: Hear report from the two members of the City Council Transportation Subcommittee, with any comments from the February 12, 2020 meeting. Members may review items requested at the Subcommittee meeting (see meeting minutes draft).

**NEXT AGENDA PREVIEW**

**29. Receive Preview List of Agenda Items for the March 17, 2020 Regular City Council Meeting (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Receive list of anticipated agenda items for the March 17, 2020 City Council meeting.

**ADJOURNMENT** (11:00 PM)

**MILPITAS CITY COUNCIL CODE OF CONDUCT**

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Share information with all Councilmembers in advance of Council meetings.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

**KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035  
e-mail: [cdiaz@ci.milpitas.ca.gov](mailto:cdiaz@ci.milpitas.ca.gov) / Phone: 408-586-3040

*The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) by selecting the Milpitas Municipal Code link.*

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: [www.ci.milpitas.ca.gov/government/council/agenda\\_minutes.asp](http://www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp) (select meeting date)

**APPLY TO SERVE ON A CITY COMMISSION**

Commission application forms are available online at [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

*If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to [mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov) prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings.*

**C1. Receive City Council Calendar of Meetings for March 2020 (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Receive City Council Calendar of meetings for March 2020.



February 2020						
S	M	T	W	T	F	S
	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

April 2020						
S	M	T	W	T	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

# Milpitas City Council Calendar

## March 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>1</b>	<b>2</b> <b>7:00 PM</b> -Parks, Recreation & Cultural Resources Commission (AP)	<b>3</b> <b>12:00 PM</b> -Santa Clara VTA Monthly Briefing - Northeast Group (BN) <b>6:00 PM</b> -Closed Session <b>7:00 PM</b> -City Council	<b>4</b> <b>7:00 PM</b> -Community Advisory Commission (BN)	<b>5</b> <b>5:30 PM</b> -Santa Clara VTA Board of Directors (BN) <b>5:30 PM</b> -Milpitas Chamber of Commerce Board (CM)	<b>6</b> <b>12:00 PM</b> -City Council Rules Subcommittee	<b>7</b>
				<b>Yosemite Policymakers Conference (3/5-3/8) (City Manager and AP)</b>		
<b>8</b>	<b>9</b> <b>4:30 PM</b> -Economic Development and Trade Commission (KD)	<b>10</b> <b>ICSC Conference (Monterey)</b> City Manager McHarris	<b>11</b> <b>6:00 PM</b> -Project Sentinel Drop-In Clinic <b>7:00 PM</b> -Planning Commission <b>7:00 PM</b> -Silicon Valley Clean Energy Board of Directors (CM) (Cupertino)	<b>12</b> <b>4:00 PM</b> -Santa Clara VTA Policy Advisory Committee (KD) <b>4:00 PM</b> -Treatment Plant Advisory Committee (CM) <b>7:00 PM</b> -Cities Association of Santa Clara County (CM) <b>7:00 PM</b> -Youth Advisory Commission (AP)	<b>13</b> <b>*2:00 PM</b> -City Council Finance Subcommittee (RT/CM)	<b>14</b>
<b>15</b>	<b>16</b> <b>4:30 PM</b> -Special Economic Development and Trade Commission (KD) <b>7:00 PM</b> -Science, Technology, and Innovation Commission (BN) <b>7:00 PM</b> -Library and Education Commission (CM)	<b>17</b> <b>7:00 PM</b> -Closed Session <b>7:00 PM</b> -City Council	<b>18</b> <b>6:00 PM</b> -Energy and Environmental Sustainability Commission (BN)  <b>ULI UrbanPlan for Communities Workshop</b> (BN/KD/CM & City Manager)	<b>19</b> <b>8:00 AM</b> -Community Development Roundtable <b>6:30 PM</b> -Bay Area Water Supply Conserv Agency (CM) <b>7:00 PM</b> -Public Safety and Emergency Preparedness Commission (KD)	<b>20</b>	<b>21</b>
<b>22</b>	<b>23</b> <b>7:00 PM</b> -Arts Commission (CM)	<b>24</b> <b>5:30 PM</b> -Special Council: CIP Study Session (Barbara Lee Senior Center)	<b>25</b> <b>6:00 PM</b> -Project Sentinel Drop-In Clinic <b>7:00 PM</b> -Project Sentinel Informational Workshop <b>7:00 PM</b> -Planning Commission	<b>26</b>	<b>27</b> <b>12:00 PM</b> -City Council Rules Subcommittee (RT/KD)	<b>28</b>
<b>29</b>	<b>30</b> <b>TBD</b> -Cesar Chavez Flag Raising Ceremony (Cesar Chavez Plaza)	<b>31</b>  <b>Cesar Chavez Day</b> <b>City Hall Closed</b>				

*\*Finance Subcommittee will meet only as needed*

**C2. Approve City Council Meeting Minutes of January 28, January 31 and February 4, 2020 (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Approve meeting minutes of the January 28 special budget study session, January 31 joint meeting with the Rules Subcommittee and the February 4, 2020 regular City Council meeting.

**DRAFT MEETING MINUTES  
MILPITAS CITY COUNCIL**

<b>Minutes of:</b>	<b>Special Meeting of the Milpitas City Council Budget Study Session</b>
<b>Date:</b>	<b>Tuesday, January 28, 2020</b>
<b>Time:</b>	<b>5:30 PM</b>
<b>Location:</b>	<b>Barbara Lee Senior Center 40 North Milpitas Boulevard, Milpitas, CA</b>

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**I. CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk** – Special Meeting was called to order by Mayor Tran at 5:35 PM. Deputy City Clerk Pam Caronongan took the Roll Call. Mayor Tran, Vice Mayor Nuñez, Councilmembers Dominguez, Montano, and Phan were present.

**II. PLEDGE OF ALLEGIANCE** – Mayor Tran led the Pledge of Allegiance.

**III. ANNOUNCEMENT OF CONFLICT OF INTEREST** – None.

**IV. APPROVAL OF AGENDA** – Agenda for the January 28, 2020 Special City Council Meeting / Budget Study Session was approved.

Motion /Second: Nuñez / Montano

AYES: All

**V. PUBLIC FORUM**

- Rob Means (Milpitas resident) spoke in support of the Personal Rapid Transit (PRT).
- Frank De Smidt (Milpitas resident and representative for Milpitas Chamber of Commerce and Milpitas Rotary Club) invited all attendees to the Annual Auction and Crab Feed on March 6, 2020.
- Yolie Garcia (Milpitas resident) spoke in support of affordable housing, particularly for school teachers. She requested Council to consider this issue as they discuss the budget.
- Jackie Romero (Milpitas resident) spoke in support of the City's youth. She requested Council to consider the youth, the Theater Program, and other youth programs as they discuss the budget.
- Lisa Baker (Milpitas resident) spoke in support of the Children's Theater Program, as part of the budget discussions.
- A Milpitas resident and Children's Theater mother spoke in support of the Children's Theater Program.
- Minh Ngo (Milpitas resident) spoke in support of the youth and the Children's Theater Program.

- A San Jose resident who grew up in Milpitas spoke in support of the Children's Theater Program.

## **VI. CONSIDER FEBRUARY 1, 2020 PARADE AND APPROVE FEE WAIVER**

Motion: To waive the special event permit fee of \$932.63 for Milpitas High School to hold a parade for the Milpitas High Trojans football team on February 1, 2020.

Motion /Second: Phan / Nuñez

AYES: All

In addition, Vice Mayor Nuñez requested for staff to furnish the City Council with a summary report of all the events that have been approved for fee waivers.

## **VII. FISCAL YEAR 2020-21 BUDGET STUDY SESSION**

Interim City Manager McHarris opened the Budget Study Session with an introduction and summary of discussion points for the session.

Finance Director Rossmann led the presentation and discussion for the first half of the Budget Study Session by reviewing the City's fiscal outlook, the ten-year General Fund financial forecast covering Fiscal Years 2021-30.

Assistant City Manager Kantak led the presentation and discussion regarding the community engagement and processes implemented in developing the City's Fiscal Year 2020-21 budget.

The following City department heads presented and discussed their major accomplishments, work plan items, and operational constraints based on their respective City Service Area (CSA):

- Public Safety – Fire Chief Brian Sherrard and Police Chief Armando Corpuz
- Community Services and Sustainable Infrastructure – City Engineer Steve Erickson, Public Works Director Tony Ndah, and Recreation and Community Services Director Renee Lorentzen
- Community Development – Building Safety and Housing Director Sharon Goei, Economic Development Director Alex Andrade, and Planning Director Ned Thomas
- Leadership and Support Services – Finance Director Walter Rossmann, Human Resources Director Liz Brown, and Information Services Director Mike Luu

Vice Mayor Nuñez inquired as to why the City Attorney's Office was not included in the presentation, and he would like to hear it in the future.

Assistant City Manager Kantak led the Council review and discussion / request for clarification of potential additional work plan items for the seven Council Priority Areas:

- 1) Public Safety
- 2) Environment
- 3) Transportation and Transit
- 4) Economic Development and Job Growth
- 5) Neighborhoods and Housing
- 6) Community Wellness and Open Space
- 7) Governance and Administration

Staff explained that the Agenda Item Request regarding speed cameras is already being addressed within the Capital Improvement Plan's (CIP) traffic calming projects. If there were any traffic calming issues, the Transportation Subcommittee and the Engineering Department would be avenues to address concerns. Council communicated that they look forward to the Transportation Subcommittee's report in March 2020, especially in regard to traffic calming.

City Engineer Erickson stated that green bike lanes are being placed in designated areas that are being repaved, and that they are a federal and state standard. Vice Mayor Nuñez stated that the community should be informed regarding green bike lanes as well as the federal and state transportation rules guidelines pertaining to them.

In regards to renaming a part of Dixon Landing Road as Barack Obama Boulevard, Council agreed to modify the Agenda Item Request by choosing a new road to name as Barack Obama Boulevard instead of renaming an already-named road. Council further directed staff that it was not a priority item.

Assistant City Manager Kantak informed Council that staff would be providing an update on the Pines community parking on February 18, 2020.

Pertaining to potential vaping ban, dumpster days and street sweeping, the Union Pacific Railroad Quiet Zone, Community Museum and Park, and the Performing Arts Center feasibility study, Council advised staff to keep these Agenda Item Requests on the list.

Council provided clarification to staff and also agreed to keep the Agenda Item Requests pertaining to social media as well as the proclamation and commendation process on the list.

Finance Director Rossmann presented and led the review and discussion regarding the City's current fiscal policies.

The following individuals spoke once Council opened the floor for public comment:

- Tom Valore requested Council look into supporting the Food Pantry and its clientele.
- John Agg spoke regarding Commission vacancies.

Interim City Manager McHarris provided closing remarks and words of appreciation towards Council and staff.

# **VIII. ACTION ITEMS CARRIED OVER FROM JANUARY 21, 2020**

## **a) Resolution – Master Fee Schedule**

Motion: To adopt **Resolution No. 8939** amending the Fiscal Year 2019-20 Master Fee Schedule

Motion /Second: Nuñez / Phan

AYES: All

## **b) Introduce Ordinance No. 304 – Skate Park Regulations**

City Attorney Diaz read aloud the title of Ordinance No. 304, “An Ordinance of the City Council of the City of Milpitas Adding Subsection 7.02 to Chapter 9 (Parks) of Title V of the Milpitas Municipal Code relating to the Milpitas Skatepark.”

Motion: To waive the first reading and introduce Ordinance No. 304, adding Subsection 7.02 of Chapter 9 (Parks) of Title V of the Milpitas Municipal Code relating to the Milpitas Skate Park regulations

Motion /Second: Montano / Dominguez

AYES: All

# **IX. ADJOURNMENT**

Mayor Tran adjourned the meeting at 10:02 PM.

*Minutes prepared by  
Pam Caronongan, Deputy City Clerk*



## ***Draft MEETING MINUTES***

### **MILPITAS CITY COUNCIL RULES SUBCOMMITTEE**

<b>Minutes of:</b>	<b>Joint Meeting of the Council Rules Subcommittee and the Milpitas City Council</b>
<b>Date:</b>	<b>Friday, January 31, 2020</b>
<b>Time:</b>	<b>3:30 PM</b>
<b>Location:</b>	<b>Milpitas City Hall, Committee Room 455 E. Calaveras Blvd., Milpitas, CA</b>

1. **Call to order and Roll Call** – Meeting was called to order by Mayor Tran at 3:35 PM. Mayor Tran, Councilmember Dominguez, Vice Mayor Nuñez and Councilmember Phan were present. Councilmember Montano was absent.

2. **Approve Meeting Minutes** – Minutes of September 20, 2019 meeting were approved.

Motion /Second: Nuñez/Dominguez

AYES: All

3. **Public Forum**

- Jackie Romero (Milpitas resident) spoke in support of the Children's Theater Program. She expressed her appreciation for the Rules Subcommittee but suggested that urgency should be considered in placing and prioritizing items to be discussed on the agenda, especially on matters that affect the community.
- Rob Means (Milpitas resident) spoke in support of the Personal Rapid Transit (PRT).
- Frank De Smidt (Milpitas resident and representative for Milpitas Chamber of Commerce and Milpitas Rotary Club) invited all attendees to the Annual Auction and Crab Feed.

4. **Discuss Clarifications Related to the Scope of the Rules Subcommittee Document and provide direction and clarity to staff on existing language and / or propose clarifying language related to the Subcommittee's role in adding items to the agenda**

Interim City Manager McHarris opened the discussion regarding the scope of the Rules Subcommittee as well as staff's need for feedback, direction, and clarification from the full City Council.

Assistant City Manager Kantak provided a brief background regarding the Rules Subcommittee since its formation in April 2019 and official start in August 2019.

Assistant City Manager Kantak and City Attorney Diaz presented seven questions to facilitate Council discussion.

Councilmembers reviewed and discussed all seven questions listed in the staff report and presentation. A summary of the direction is provided below:

1. Council Agenda Item Requests would be placed on the next regular Council meeting agenda and listed under the Reports of Mayor and Councilmembers section of the agenda. In addition, Council requested to have the Rules Subcommittee minutes be presented under this section. Councilmembers could also request items be placed on the Council Agenda under the Announcements section. The City Attorney was asked to provide verbiage so that legal parameters and guidance would be incorporated into the Announcements and Reports of the Mayor and Councilmembers sections of the City Council meeting agenda to ensure compliance with the Brown Act.
2. Councilmembers agreed that there should be no “cap” placed on Agenda Item Requests for any one Council agenda. Council would be relying on the City Manager in terms of assessing, establishing “caps” contingent upon departments’ individual workload, and advising Council regarding staff workload.
3. A majority of the Councilmembers agreed that the current Agenda Item Request Form was satisfactory. If more detailed explanation was needed for items that were placed on the agenda, there would be avenues available to present proposals including but not limited to memoranda, presentation slides, fiscal impact reports, and other data that would show as to how the agenda item directly tied to one of the established Council Priority Areas.
4. Councilmembers agreed that the Rules Subcommittee would not meet to review the agenda for Special City Council meetings.

Vice Mayor Nuñez stated that the original intent of the Rules Subcommittee was to review the agenda for items added by Council and staff. Council discussed having alternates for the current Subcommittee members in case one was not be able to attend the Rules Subcommittee meeting. Mayor Tran nominated Vice Mayor Nuñez as his alternate. Councilmember Dominguez nominated Councilmember Montano as her alternate.

City Attorney Diaz advised that he would conduct research as to whether there would be any Brown Act rules regarding Subcommittee alternates, and that he would report back to Council regarding the results of his research. Council agreed to further discuss this matter once more at a later date.

Mayor Tran excused Vice Mayor Nuñez from the remainder of the meeting due to prior commitments.

Assistant City Manager Kantak reviewed the two-step process for adding agenda items through Agenda Item Request Forms and received Council agreement on the process.

Interim City Manager McHarris and Assistant City Manager Kantak stated that staff needed clarification and guidance from Council regarding this question so that it would assist staff in balancing and re-prioritizing workload.

Assistant City Manager Kantak proposed modifying the Rules Subcommittee scope and guidelines to formally reflect the direction from Council.

## 5. **Review of Regular City Council Meeting Agendas**

Assistant City Manager Kantak led the review and discussion of the following:

- February 4, 2020 Preliminary Agenda
- February 18, 2020 List of Agenda Items

Mayor Tran requested that the Public Forum section should be modified to reflect that speaking time would be “three minutes or less.”

Interim City Manager McHarris advised that the Council could forward question concerning Consent Calendar items ahead of time to the City Manager’s Office, so that staff could provide answers or clarification prior to the meeting.

In an effort to avoid unnecessary pulling items off the Consent Calendar, Councilmember Dominguez inquired as to whether Council could submit questions to the City Manager and have the questions and the answers provided be a part of public record. City Attorney Diaz replied that some cities formulate a list of Council questions. City Attorney Diaz and City Manager proposed to further research into this matter.

## 6. **Adjourn**

- Vice Mayor Nuñez was excused to leave prior to adjournment at 5:10 PM.
- Mayor Tran adjourned the meeting at 5:23 PM.
- The next Rules Subcommittee meeting would be scheduled on Friday, February 21, 2020 at 3:30 PM.

*Minutes prepared by  
Pam Caronongan, Deputy City Clerk*

**DRAFT MEETING MINUTES  
CITY OF MILPITAS**

**Minutes of:** Regular Meeting of the Milpitas City Council  
**Date:** Tuesday, February 18, 2020  
**Time:** 6:00 PM Closed Session  
 7:00 PM Open Session  
**Location:** Council Chambers, Milpitas City Hall,  
 455 East Calaveras Blvd., Milpitas

**CALL TO ORDER**

Mayor Tran called the meeting to order at 6:00 PM. The City Clerk called the roll.

**PRESENT:** Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez and Phan

**ABSENT:** None

**CLOSED SESSION**

City Council convened in Closed Session to discuss three items (two existing litigation matters and one labor negotiation).

Mayor Tran called to order the open session/regular meeting at 7:20 PM.

**ANNOUNCEMENT**

City Attorney Chris Diaz stated there was no reportable action out of Closed Session, while direction was given to staff.

**PLEDGE**

Vice Mayor Nuñez led the pledge of allegiance.

**INVOCATION**

Councilmember Montano offered remarks to start the meeting.

**PUBLIC FORUM**

Yolie Garcia, resident, announced the public hearing on March 17 regarding a high rise hotel proposal and encouraged people to sign an online petition in opposition.

Spike Jones, resident, described busy traffic on Hillview Drive at Jacklin.

John Ball, resident, noted the proposal for a hotel at Jacklin and Hillview.

Stacy Brobst, resident, asked the City Council about a promised grocery store in the south end of the City. City Manager Steve McHarris replied that the developer had submitted plans for a grocery store in the mixed-use building called "The District."

Urvishkumar Mehta, resident, addressed water rates, with a goal to lower those.

Rob Means, 1421 Yellowstone resident, thanked the Council Transportation Subcommittee, where the topic of Personal Rapid Transit was recently discussed.

Voltaire Montemayor, resident, looked for a solution regarding the grocery store.

Frank DeSmidt announced the upcoming Rotary Club crab feed fundraiser in March.

**ANNOUNCEMENTS**

Vice Mayor Nuñez requested two future agenda items: (1) a discussion with regard to a 4<sup>th</sup> of July parade in the community (on behalf of himself and the Mayor); and, (2) a discussion on having a community workforce agreement (on behalf of himself and Councilmember Phan) for the next City Council meeting.

## **ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS**

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. By roll call, none were reported.

## **APPROVAL OF AGENDA**

Motion: to approve the City Council agenda, as presented

Motion/Second: Councilmember Montano/Councilmember Dominguez

Motion carried by a vote of: AYES: 5  
NOES: 0

## **CONSENT CALENDAR**

Motion: to approve the consent calendar including items no. C1-C9, C11-C12, C14, and added items no. 17 and no. 24

Councilmember Phan requested to add items no. 16, no. 17 and no. 24 onto consent; and to defer item no. 20 (Chandler Asset Management) to the next Council meeting.

Vice Mayor Nuñez wanted to hear item no. 16. He had questions on item no. 13 and asked to remove item no. 10 from consent. Mr. Nuñez sought explanation of sole source purchasing in order to better understand items no. C4, C5, C6, C7 and C8. Mayor Tran asked City Engineer Steve Erickson to the podium to explain that term.

Councilmember Dominguez asked to move up items no. 11 (two Commission appointments, on consent) and no. 13 (Planning Commission appointment) to be heard early and Mayor agreed.

Councilmember Phan wanted the public hearing first and no. 13 after that.

Mayor Tran stated the order of agenda items to be no. 13, no. 18, no. 19, no. 17 and no. 16.

Motion/Second: Vice Mayor Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5  
NOES: 0

- |                                      |  |
|--------------------------------------|--|
| C1. Council Calendars                | Received calendars of upcoming meetings for months of February and March 2020.   |
| C2. Meeting Minutes                  | Approved City Council meeting minutes of February 4, 2020.   |
| C3. Adopt Ordinance                  | Waived the second reading and adopted Ordinance No. 304 adding Subsection 7.02 of Chapter 9 (Parks) of Title V of the Milpitas Municipal Code relating to the Milpitas Skate Park.   |
| C4. Resolution                       | Adopted Resolution No. 8944 approving the award of a sole source contract to Locution Systems Inc. for the Fire Station No. 2 Replacement, Project No. 3447, and authorizing the interim City Manager to execute a contract for the procurement and installation of the Locution fire alerting system in the amount of \$97,377. |
| C5. Resolution                       | Adopted Resolution No. 8945 approving and authorizing the City Manager to execute an Amendment to the Agreement with CentralSquare Technologies for the sole source purchase of Community Development software upgrade for an amount not to exceed \$433,437.21 for the term period February 19, 2020 to February 18, 2025.      |
| C6. Contract to Redwood Construction | Received report on bids and awarded construction contract to Redwood Construction and Equipment, Inc. in the amount of \$1,715,652 for the Citywide Parks and Playgrounds Rehabilitation Project, subject to annual appropriations.  |

Authorized the Public Works Director to negotiate and execute contract change order(s) in an aggregate amount not to exceed \$50,000 for the Citywide Parks and Playgrounds Rehabilitation Project.

- C7. Amend Agreement with Water Systems Optimization  
Approved and authorized the City Manager to execute Amendment No. 2 to the professional services agreement with Water Systems Optimization, Inc. for water loss technical assistance for a total amount not to exceed \$160,756.
- C8. Amend Agreement with TEC Accutite  
Approved and authorized the City Manager to execute Amendment No. 1 to the Maintenance Service Agreement with Technology, Engineering & Construction, Inc. doing business as TEC Accutite for Aboveground and Underground Storage Tank Maintenance and Certification Services for a new total not to exceed \$296,250.
- C9. Agreement with Urban Field Studio re: TASP  
Approved and authorized the City Manager to execute an Agreement with Urban Field Studio to provide consulting services related to the Transit Area Specific Plan (TASP) 2020 Update.
10. Report on Legislation  
Item was removed from consent, but was not heard.
- C11. Appoint Two Commissioners – Science, Technology and Innovation, and Arts Commissions  
(1) Appointed Guy Haas as a voting Commissioner on the Science, Technology and Innovation Commission into a term that will expire at the end of January 2023.  
(2) Newly appointed Benjamin Tang to the Milpitas Arts Commission into a vacant term that will expire in October of 2021.
- C12. Change VTA Board representative  
Appointed Vice Mayor Nuñez to the Santa Clara Valley Transportation Authority (VTA)'s Northeast group of cities, representing the City of Milpitas and requesting to serve on the VTA Board of Directors, effective immediately. Directed staff to notify the Northeast Group of cities in advance of its March 4 meeting and the SCVTA staff of the City Council authorized change of representative.
- C14. Approve Travel  
(1) Authorized and approved travel for Councilmember Phan and City Manager McHarris to attend the Local Government Commission *2020 Yosemite Policy-makers Conference: Building Livable Communities* in Yosemite National Park, CA scheduled March 5–8, 2020, for a total combined estimated amount up to \$3,500.  
(2) Authorized and approved travel for Mr. McHarris to attend International Council of Shopping Centers *Annual Conference & Deal Making* in Monterey, CA scheduled March 10, 2020 for a total amount of \$95.
- C17. Draft Economic Development Framework Preview  
Item was added to consent calendar. Received preview of the draft Economic Development Strategy Framework from the Office of Economic Development.

## **COMMISSION**

- C24. Economic Development and Trade Commission Work Plan  
Item was added to consent calendar. Approved the Fiscal Year 2019-20 Economic Development and Trade Commission Work Plan; and, received an International Trade progress report.
13. Planning Commission Appointment  
Motion: to appoint resident Steve Belong into a three-year term on the Milpitas Planning Commission (to seat held by Demetress Morris) that will expire in December 2022
- Motion/Second: Councilmember Dominguez/Councilmember Nuñez
- Motion carried by a vote of: AYES: 5  
NOES: 0

## **LEADERSHIP**



- 18. Communications Study** Mayor Tran said Council accepted the staff report on the Matrix Consultants Group's City of Milpitas Communications Function Study, and it would come back in the future.
- 19. FY 2019-20 Budget at Mid-Year, Resolution** Motion: to approve the three City staff position changes recommended by staff -  
 (1) Delete one FTE Office Specialist and authorize one FTE Building Permit Technician in the Building Safety and Housing Department  
 (2) Delete one FTE Building Inspector and authorize one FTE Building Plan Checker in the Building Safety and Housing Department  
 (3) Delete one FTE Assistant Civil Engineer and authorize one Associate Civil Engineer in the Engineering Department

Motion/Second: Mayor Tran/Vice Mayor Nuñez

Motion carried by a vote of: AYES: 5  
NOES: 0

Motion: (1) to review the FY 2019-20 Quarterly Financial Status Report for the quarter which ended on December 31, 2019; (2) to approve the FY 2019-20 Mid-Year budget amendments; and, (3) to adopt Resolution No. 8946 amending Resolution No. 1626, the Classification Plan, to approve and adopt the pay schedule titled "All Job Classifications/ Salary Table" and not appropriate any money at this time

Motion/Second: Councilmember Phan/Vice Mayor Nuñez

Motion carried by a vote of: AYES: 5  
NOES: 0

## **PUBLIC HEARING**

- 15. Public Hearing on Short-Term Rental Regulations** Mayor Tran opened the public hearing.
- Milpitas residents who spoke:  
 Yolie Garcia  
 Voltaire Montemayor  
 Urvishkumar Mehta

(1) Motion: to close the public hearing, following three speakers

Motion/Second: Vice Mayor Nuñez/Councilmember Montano

Motion carried by a vote of: AYES: 5  
NOES: 0

City Attorney Diaz read aloud the title of Ordinance No. 38.835, "An Ordinance of the City Council of the City of Milpitas Amending Chapter 10 of Title XI of the Milpitas Municipal Code Relating to Short Term Rentals and Making Findings of CEQA Exemption."

(2) Motion: (a) to consider the CEQA exemption per Guidelines Section 15183 (Project Consistent with a Community Plan, General Plan, or Zoning) and categorically exempt the ordinance from environmental review under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) and 15308 (Actions by Regulatory Agencies for Protection of the Environment); and, (b) to waive the first reading beyond the title and introduce Ordinance No. 38.835 Amending Milpitas Municipal Code Title XI, Chapter 10 for a zoning amendment in Section 2 "Definitions," Section 4 "Residential Zones and Standards," Section 6 "Mixed Use Zones and Standards," Section 13 "Special Uses" and Section 53 "Off-Street Parking Regulations"

Motion/Second: Councilmember Montano/Councilmember Dominguez

Motion carried by a vote of:

AYES: 5

NOES: 0

### **COMMUNITY DEVELOPMENT**

#### **16. The Pines Pilot Parking Program**

Councilmember Montano left the dais, excusing herself from the discussion based on the proximity of her residence.

Speakers from the audience addressed the Council (residents):

Dean Bradshaw

Stacy Brobst

Guy Haas

Yolie Garcia

Voltaire Montemayor

(1) Motion: to receive the staff update and to direct staff to implement a pilot Permit Parking Program in The Pines neighborhood, with the details noted, send it out to the community first and then bring the final program back to City Council

Motion/Second:

Vice Mayor Nuñez/Councilmember Dominguez

Motion carried by a vote of:

AYES: 4

NOES: 0

ABSENT: 1 (Montano)

(2) Motion: to receive the staff update on TASP area on-street parking

Motion/Second:

Councilmember Phan/Vice Mayor Nuñez

Motion carried by a vote of:

AYES: 4

NOES: 0

ABSENT: 1 (Montano)

### **LEADERSHIP**

#### **20. Investment Services Agreement - Chandler**

Item was removed from the City Council agenda, to be rescheduled for March 3, 2020.

### **REPORTS**

#### **21. Council Rules Subcommittee**

Item was not heard.

#### **22. Support for Laura's Law**

Item was not heard.

#### **23. Resolution**

Item regarding Support of Principles of Convention on Elimination of All Forms of Discrimination Against Women was not heard.

### **NEXT AGENDA**

#### **14. Preview next agenda**

Item was not heard.

### **ADJOURNMENT**

Mayor Tran adjourned the regular City Council meeting at 11:26 PM.

*Meeting minutes drafted and submitted by  
Mary Lavelle, City Clerk*

**C3. Adopt Ordinance No. 38.835 to Establish Regulations for Short-Term Rentals (Staff Contact: Daniel Degu, Sr., 408-586-3054)**

Recommendation: Waive the second reading and adopt Ordinance No. 38.835, amending Milpitas Municipal Code Title XI, Chapter 10, Sections 2, 4, 6, 13, and 53 to establish regulations for Short-Term Rentals.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt Ordinance No. 38.835 to Establish Regulations for Short-Term Rentals</b>
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	<b>Daniel Degu, Sr., Economic Development Coordinator, 408-586-3054</b>
<b>Recommendation:</b>	Waive the second reading and adopt Ordinance No. 38.835, amending Milpitas Municipal Code Title XI, Chapter 10, Sections 2, 4, 6, 13, and 53 to establish regulations for Short-Term Rentals.

### **Background:**

Ordinance No. 38.835 was introduced at the February 18, 2020 City Council meeting. There were no changes to the Ordinance and it is now ready for its second reading and adoption.

### **Fiscal Impact**

None

### **Recommendation**

Waive the second reading and adopt Ordinance No. 38.835, amending Milpitas Municipal Code Title XI, Chapter 10, Sections 2, 4, 6, 13, and 53 to establish regulations for Short-Term Rentals.

### **Attachment**

Ordinance No. 38.835

**NUMBER:** 38.835

**TITLE:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING CHAPTER 10 OF TITLE XI OF THE MILPITAS MUNICIPAL CODE RELATING TO SHORT-TERM RENTALS AND MAKING FINDINGS OF CEQA EXEMPTION

**HISTORY:** This Ordinance was introduced (first reading) by the City Council at its meeting of February 18, 2020, upon motion by Councilmember Montano, and was adopted (second reading) by the City Council at its meeting of \_\_\_\_\_, upon motion by \_\_\_\_\_. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

## RECITALS AND FINDINGS:

**WHEREAS**, the City of Milpitas, California (the “City”) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

**WHEREAS**, the growing popularity of “home-sharing” and other short-term rentals, through the use of websites such as Airbnb and HomeAway, allow homeowners, landlords, and tenants to list homes, apartments, and rooms for rent at the price and duration of their choosing; and

**WHEREAS**, short-term rentals may reduce the supply of permanent housing stock and negatively impact the character of residential neighborhoods due to excessive noise, disorderly conduct, overcrowding, traffic congestion, illegal parking, the accumulation of refuse, and other effects that are a threat to the public health, safety, or welfare; related the City has a legitimate interest in preserving the long-term housing stock of the City and maintaining the character of its residential neighborhoods; and

**WHEREAS**, the City prohibits any uses that have been excluded from the “use tables” found throughout Chapter 10 “Zoning” of Title XI “Zoning, Planning, and Annexation” of the Milpitas Municipal Code; and

**WHEREAS**, short-term rentals are not expressly permitted or conditionally permitted by the City’s zoning ordinance in any district, so they are currently prohibited in accordance Chapter 10 “Zoning” of Title XI “Zoning, Planning, and Annexation” of the Milpitas Municipal Code; and

**WHEREAS**, the City Council intends to adopt a zoning ordinance permitting short-term rentals in zoning districts where residential uses are allowed, subject to the regulations contained in Chapter 10 “Zoning” of Title XI “Zoning, Planning, and Annexation” of the Milpitas Municipal Code; and

**WHEREAS**, the City has prepared a Zoning Amendment (“Amendment”) to Section 2 “Definitions,” Section 4 “Residential Zones and Standards,” Section 6 “Mixed Use Zones and Standards,” Section 13 “Special Uses,” and Section 53 “Off-Street Parking Regulations” of the Zoning Code (Title XI of the Municipal Code); and

**WHEREAS**, on June 26, 2019, the Planning Commission of the City of Milpitas held a lawfully-noticed public hearing to consider the proposed Amendment and adopted Resolution No. 19-020 recommending that the City Council adopt the proposed Amendment; and

**WHEREAS**, on January 29, 2020, the Planning Commission of the City of Milpitas held a second lawfully-noticed public hearing to consider the proposed Amendment and adopted Resolution No. 20-002 recommending that the City Council adopt the proposed Amendment.

**NOW, THEREFORE**, the City Council of the City of Milpitas does ordain as follows:

### SECTION 1. RECORD AND BASIS FOR ACTION

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

### SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Based on its review of the entire record, including the staff report, public comments and testimony presented to the Planning Commission and City Council, and the facts outlined below, the City Council hereby finds and determines that the introduction and adoption of this Ordinance is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning). Section 15183 of the CEQA Guidelines provides that projects that are consistent with a Community Plan, General Plan or Zoning for which an EIR has been certified “shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its



site.” The proposed Amendment to permit and regulate short-term rentals is consistent with the Milpitas General Plan because it provides clear provisions for Milpitas residents to generate ancillary income from short-term rentals and ensures the appropriate collection of transient occupancy taxes. Both of these outcomes are consistent with Land Use Element 2.a-I-5 ([m]aintain policies to promote a strong economy and provide economic opportunities for all Milpitas residents within existing environmental, social fiscal and land use constraints). The Amendment is also consistent with Housing Element Goal B-1 (Maintain High Quality Residential Environments) and Housing Element Goal B-2 (Preserve Housing Resources) because the Amendment aims to preserve the residential character of neighborhoods by establishing operating standards to reduce potential noise, parking, traffic, property maintenance and safety impacts on adjacent neighbors. Further, the Amendment limits short-term rentals to single-family, two-family, and multi-family uses, thereby maintaining and preserving existing housing resources, including both senior housing units and below market units, while providing opportunities for additional income to property owners. Therefore, the proposed Amendment is consistent with the General Plan and is exempt from CEQA pursuant to Section 15183 of the CEQA Guidelines.

The introduction and adoption of this Ordinance is also exempt under CEQA Guideline 15308 (Actions by Regulatory Agencies for Protection of the Environmental). The Ordinance does not authorize any new construction, nor does it relax any standard resulting in environmental degradation, but rather imposes standards on short-term rentals to assure the maintenance, enhancement, and protection of the environment in the city.

None of the exceptions under CEQA Guidelines Section 15300.2 apply to the exemptions because the proposed ordinance will not result in a cumulative impact from successive projects of the same type in the same place, over time. The proposed ordinance is not an activity wherein there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; the ordinance will not result in damage to scenic resources, including trees, historic buildings, rock outcroppings, or similar resources; the proposed ordinance will not apply to sites located on a hazardous resources; and the proposed ordinance will not cause a substantial change in the significance of a historical resource.

Finally, this Ordinance is exempt from CEQA under CEQA Guidelines, § 15061(b)(3), also known as the “common sense exemption,” which exempts from CEQA any project where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. A “significant effect on the environment” means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project. This Ordinance would create new zoning requirements for a use that is not currently allowed in Milpitas (short-term rentals) for the purpose of protecting environmental quality, public health, and public safety. Therefore, it can be seen with certainty that there is no possibility that this Ordinance would have a significant effect on the environment.

Accordingly, this Ordinance is exempt from CEQA review pursuant to Sections 15061(b)(3), 15183, and 15308 of the CEQA Guidelines, each as a separate and independent basis.

### **SECTION 3. GENERAL PLAN CONSISTENCY**

The proposed Amendment supports several of the guiding principles and policies of the General Plan. First, the Amendment is consistent with Land Use Element 2.a-I-5 ([m]aintain policies that promote a strong economy which provides economic opportunities for all Milpitas residents within existing environmental, social fiscal and land use constraints) because it provides clear provisions for residents in Milpitas to have opportunities for ancillary income generation from short-term rentals and ensures the appropriate collection of transient occupancy taxes. Second, the Amendment is consistent with Housing Element Goal B-1 (Maintain High Quality Residential Environments) and Housing Element Goal B-2 (Preserve Housing Resources) because the Amendment aims to preserve the residential character of neighborhoods by establishing operating standards to reduce potential noise, parking, traffic, property maintenance and safety impacts on adjacent neighbors. Further, the Amendment limits short-term rentals to single-family, two-family, and multi-family uses, thereby maintaining and preserving existing housing resources, including both senior housing units and below market units, while providing opportunities for additional income to property owners. Therefore, the proposed Amendment is consistent with the General Plan.

### **SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 2**

Title XI, Chapter 10, Section 2 “Definitions,” Subsection XI-10-2.03 “Definitions” of the Milpitas Municipal Code is hereby amended to add the following definition to read as follows:

“Short-Term Rental Unit” or “Short-Term Rental” or “STR” means the use of a dwelling unit, including, without limitation, a single-family, two-family, or multiple-family dwelling unit, mobile home, or any portion of such dwellings, rented for occupancy for dwelling, lodging, or sleeping purposes for a period of 30 or fewer calendar days, counting portions of days as full calendar days.

## **SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 4**

Title XI, Chapter 10, Section 4 “Residential Zones and Standards,” Subsection XI-10-4.02 “Residential Use Regulations,” Table XI-10-4.02-1 “Residential Zone Uses,” Section 6. Unclassified Uses, of the Milpitas Municipal Code is hereby amended to read as follows:

**Table XI-10-4.02-1  
Residential Zone Uses**

Use	R1	R2	R3	R4	R5
<b>6. Unclassified Uses</b>					
Agriculture <sup>10</sup>	P	P	P	NP	NP
Boarding house (three or more persons)	NP	C	C	C	C
Golf course <sup>11</sup>	C	C	C	NP	NP
Live work units <sup>12</sup>	NP	NP	C	C	C
Model home complex <sup>13</sup>	P	P	P	P	P
Short-Term Rentals <sup>14</sup>	P	P	P	P	P

<sup>1</sup> Refer to Subsection XI-10-4.03(A), Residential Zone Special Uses, of this Chapter, for standards.

<sup>2</sup> Refer to Subsection XI-10-4.03(B), Residential Zone Special Uses, of this Chapter, for standards.

<sup>3</sup> Licensed nursing home serving more than six persons, except when used primarily for contagious sickness, mental or drug alcohol addict cases.

<sup>4</sup> Refer to Subsection XI-10-13.07, Manufactured Homes, of this Chapter, for standards.

<sup>5</sup> Refer to Subsection XI-10-54.07, Planned Unit Developments, of this Title, for standards.

<sup>6</sup> In conjunction with an existing or proposed legal single-family dwelling or duplex. Refer to Subsection XI-10-13.08, Accessory Dwelling Units, of this Chapter, for standards.

<sup>7</sup> Refer to XI-10-13.13, Special Uses, Single Room Occupancy Residences, of this Chapter

<sup>8</sup> Permitted only in single family dwellings

<sup>9</sup> Permitted only in multi-family dwellings

<sup>10</sup> Except for the raising of animals or fowl for commercial purposes, or the sale of any products at retail on the premises.

<sup>11</sup> Except for driving tee or range, miniature course and similar uses operated for commercial purposes.

<sup>12</sup> Allowed commercial uses to be specified through the Conditional Use Permit process.

<sup>13</sup> Refer to Subsection XI-10-13.11(E), Model Home Complexes and Sales Offices, of this Chapter for temporary tract offices.

<sup>14</sup> Subject to the requirements of Subsection XI-10-13.16, Short-Term Rentals, of this Chapter.

## **SECTION 6. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 6**

Title XI, Chapter 10, Section 6 “Mixed Use Zones and Standards,” Subsection XI-10-6.02 “Mixed Use Regulations,” Table XI-10-6.02-1 “Mixed Use Zone Uses,” Section 9. Unclassified Uses, of the Milpitas Municipal Code is hereby amended to read as follows:

**Table XI-10-6.02-1  
Mixed Use Zone Uses**

Use	MXD	MXD2		MXD3
		Ground Level (Facing Retail street)	Upper Floor	
9. Unclassified Uses				
Artisan Studios & Live-work units, woodworking or glassworking, plumbing or metalworking and sign shops <sup>2</sup>	MCS	MCS	MCS	MCS
Lobbies and entries for upper floor uses	P	P	NP	P
Model home complex <sup>11</sup>	P	P	P	P
Mixed use developments <sup>12</sup>	P	P	P	P
Planned Unit Development <sup>13</sup>	P	P	P	P
Temporary seasonal sales <sup>14</sup>	P	P	P	P
Short-Term Rentals <sup>17</sup>	P	NP	P	P

<sup>1</sup> Refer to Subsection XI-10-6.02-1(B), Performance standards for certain uses, of this Chapter, for standards.

<sup>2</sup> Refer to Subsection XI-10-6.02-1, Special Uses, of this Chapter, for standards.

<sup>3</sup> Refer to Subsection XI-10-6.02-1(B) Performance standards for certain uses, of this Chapter.

<sup>4</sup> Refer to Subsection XI-10-6.02-2, Quasi-Public Uses, of this Chapter, for standards.

<sup>5</sup> For parks, playgrounds or community center owned and operated by a government agency or a nonprofit community organization.

<sup>6</sup> Refer to XI-10-13.14, Special Uses, Emergency Shelters, of this Chapter

<sup>7</sup> Ground level residential is prohibited in the Ground Level Commercial Area as shown on the Midtown Specific Plan Land Use Map, Figure 3.1.

<sup>8</sup> Refer to XI-10-13.13, Special Uses, Single Room Occupancy Residences, of this Chapter

<sup>9</sup> Uses serving upper-floor residential uses, such as common gathering space, lobby, and resident services, may be allowed as ground floor uses where residential uses would otherwise not be permitted.

<sup>10</sup> Reserved

<sup>11</sup> Refer to Subsection XI-10-13.11(E), Model Home Complexes and Sales Offices, of this Chapter for temporary tract offices.

<sup>12</sup> Which include only permitted uses.

<sup>13</sup> Refer to Section XI-10-54.07, Planned Unit Developments, of this Chapter, for standards.

<sup>14</sup> Refer to Section XI-10-13.11(D), Temporary Seasonal Sales, of this Chapter.

<sup>15</sup> New and used auto, recreational vehicle and boat sales, excluding commercial vehicles, trucks, buses, vans, and farm equipment, with accessory repairs and services, only allowed if fully enclosed within a building. Bicycle and auto rental agency, excluding commercial vehicles, trucks, buses, vans, boats and RV rentals, only if fully enclosed within a building.

<sup>16</sup> Refer to Subsection XI-10-6.02-2, Special Uses, of this Chapter, for standards. Service stations shall follow the "General development policy: Gasoline service stations, and automotive service centers" adopted by the City Council on December 19, 1995.

<sup>17</sup> Only allowed within a dwelling unit, subject to the requirements of Subsection XI-10-13.16, Short-Term Rentals, of this Chapter.

## **SECTION 7. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 13**

Title XI, Chapter 10, Section 13 "Special Uses," Subsection XI-10-13.16 "Short-Term Rentals" of the Milpitas Municipal Code is hereby added to read as follows:

### **XI-10-13.16 – Short-Term Rentals**

- A. Purpose. The purpose of this Subsection is to regulate the establishment and operation of short-term rental units ("STRs"). As such, the City desires to give special consideration to preserving the residential character of neighborhoods, preventing long-term residential uses from being replaced with STRs, and protecting all neighborhoods from potential adverse impacts caused by the operation of STRs.
- B. Definitions. For purposes of this Subsection, the following definitions apply:

1. “Alternative Contact Person” means a natural person, whether the owner, local property manager, or agent of the owner, who is available twenty-four hours per day, seven days per week to respond to complaints regarding the condition, operation, or conduct of occupants of a short-term rental unit.
2. “Applicant” means a person applying for or renewing a Short-Term Rental Permit. “Applicant” may be the “Owner” or “Operator.”
3. “Bedroom” means “Bedroom” as defined in Subsection XI-10-2.03 “Definitions” of the Milpitas Municipal Code.
4. “Dwelling unit” means “Dwelling unit” as defined in Subsection XII-1-2.04 “Definitions” of the Milpitas Municipal Code.
5. “Good Neighbor Manual” means a manual prepared by the City regarding the general rules of conduct to be followed when operating a Short-Term Rental Unit.
6. “Hosted Rental” means a Short-Term Rental Unit where an Owner or Operator is living and present in the dwelling unit during the short-term rental period.
7. “Hosting Platform” means business or person that provides a means through which an Operator may offer a dwelling unit, or portion thereof, for Short-Term Rentals. A Hosting Platform is usually, though not necessarily, provided through an internet-based platform. It generally allows a property owner or tenant to advertise the dwelling unit through a website provided by the Hosting Platform and provides a means for potential Short-Term Rental Transients to arrange short-term rentals, whether the Short-Term Rental Transient pays rent directly to the Operator or to the Hosting Platform.
8. “Operator” means a natural person who is the Owner, lessee, or Owner’s agent to act on the Owner’s behalf to insure compliance with this Subsection.
9. “Owner” means “Owner” as defined in Subsection XI-10-2.03 “Definitions” of the Milpitas Municipal Code.
10. “Short-Term Rental Unit” or “Short-Term Rental” or “STR” is defined by Subsection XI-10-2.03 “Definitions” of the Code.
11. “Short-Term Rental Permit” means a permit to establish a Short-Term Rental Unit.
12. “Transient” means “Transient” as defined in Subsection III-13-2.03 “Transient” of the Milpitas Municipal Code.
13. “Un-hosted Rental” means an STR where an Owner or Operator is not living and present in the primary dwelling unit during the short-term rental period.

C. Applicability.

1. This section applies to Short-Term Rental Units as defined in Subsection XI-10-13.16(B)(10).
2. Permitted Zoning Districts. STRs are permitted in dwelling units in the R1, R2, R3, R4, R5, MXD, MXD2, and MXD3 Zoning Districts, subject to the requirements of this Subsection XI-10-13.16.
3. Nonconforming Dwelling Units. STRs are prohibited within all nonconforming dwelling units, except those that are legal nonconforming with respect to the parking standards of Section 53 “Off-Street Parking Requirements.” If a dwelling is legal and nonconforming only because it does not meet the parking standards of Section 53 “Off-Street Parking Regulations,” an STR may be established when parking for the dwelling unit is provided to meet the applicable requirements of Section 53 “Off-Street Parking Regulations.”
4. Permitted in Primary Dwelling Units Only. STRs are permitted in primary dwelling units only. STRs are not permitted within accessory structures and buildings, accessory dwelling units (ADUs), guest house accessory buildings, or recreational vehicles.

D. General Requirements.

1. Required Permits. Prior to the operation of a dwelling unit, or a portion thereof, as an STR, the operator must obtain a Short-Term Rental Permit pursuant to this Subsection and a business license pursuant to Title III, Chapter 1 “Business Licenses” of the Milpitas Municipal Code. A Short-Term Rental Permit may be terminated or revoked if the standards of this Chapter are not met.

2. Compliance. Occupants of the STR must comply with all applicable Federal, State, and local law. Operator must ensure compliance with this provision.
3. Rentals per Dwelling Unit. A maximum of one (1) Short-Term Rental is permitted per dwelling unit at any given time.
4. Off-Street Parking Requirement. One (1) off-street parking space must be provided for the STR. Any parking space in excess of the required number of parking spaces for the primary dwelling unit pursuant to Section 53 "Off-Street Parking Regulations" may be used for the STR. The parking space must comply with all development standards set forth in Section 53 "Off-Street Parking Regulations."
5. Exterior Alterations. The exterior of the dwelling unit must not be altered such that the structure appears to serve a nonresidential use either by color, materials, construction, lighting, signage, landscaping, or by other similar effects.
6. Hosted Rentals Only. An Operator may only conduct a Hosted Rental. Un-hosted Rentals are prohibited in STRs.
7. Maximum Occupancy. The daytime (7:00 a.m. to 9:00 p.m.) and overnight (9:00 p.m. to 7:00 a.m.) occupancy of the STR is limited to a maximum of two (2) persons per bedroom plus one (1) additional person. The Operator shall not allow the STR to be used for any gathering where the number of persons will exceed the permitted maximum occupancy limits.
8. Alternative Contact Person. The Owner must identify and designate an Alternative Contact Person who must be available twenty-four (24) hours per day, seven (7) days per week, to respond to complaints regarding the condition, operation or conduct of occupants of the STR. The Alternative Contact Person must respond in-person to complaints within sixty (60) minutes.
9. Trash and Refuse. Trash and refuse must be stored outside of public view, except in proper containers for the purpose of collection by the City's authorized waste hauler on scheduled trash collection days.
10. Signage. Signs that advertise the availability of the short-term rental unit are prohibited.
11. Liability Insurance. Liability insurance is required of the Operator, or Hosting Platform on behalf of the Operator, in the amount of no less than \$500,000. Proof of liability insurance is not required if hosting activity is only handled by a hosting platform that already extends similar liability coverage.
12. Commercial and Assembly Uses Prohibited. STRs are limited to dwelling, lodging, and sleeping purposes only. Use of the STR for any other commercial uses or assembly uses such as weddings, corporate events, or parties, is prohibited.
13. Transient Occupancy Tax. Either the Operator or Hosting Platform must collect and remit the transient occupancy tax ("TOT") pursuant to Title 3, Chapter 3.24 "Transient Occupancy Tax" of the Milpitas Municipal Code. The Operator must maintain records of TOT paid, even if paid by a hosting platform, for three years.
14. Good Neighbor Manual Required. The Operator must sign a manual provided by the City that summarizes general rules of conduct and all rules and regulations applicable to the use of the STR in this Subsection and the Milpitas Municipal Code. The Operator must post the manual on the inside of the front door and door to the backyard or in a conspicuous location near each door.
15. Indemnification. To the fullest extent permitted by law, the Owner of an STR must defend, indemnify, and hold the City of Milpitas, its officials, officers, and employees free and harmless from any and all claims, demands, causes of action, damage or injury to persons or property arising out of any alleged acts, omissions, or willful conduct of the Owner, its employees, or its agents.
16. Health and Safety. It is the Operator's responsibility to assure that the STR is and remains in compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.
17. Amnesty Period. Notwithstanding any other provision of law, Short-Term Rental Units operating on or before the enactment of this ordinance shall be considered existing, unpermitted uses. An amnesty period of six (6) months after the effective date of this Ordinance, is provided to allow these existing, unpermitted uses to be legalized by conforming to the requirements of this Chapter, including compliance with operating

standards, registration, and record-keeping obligations. Transient occupancy tax payment continues required at all times for Short-Term Rental Units and must be collected and paid during the amnesty period. Applications to bring an existing, unpermitted Short-Term Rental Unit use into compliance shall be made on or before six (6) months from the effective date of this ordinance. Existing Short-Term Rental Units that do not conform to the requirements of this section shall cease operation within six (6) months of the effective date of this Ordinance, and shall be prohibited from resuming unless and until the use conforms to the requirements of this Chapter.

E. Application Procedure.

1. Short-Term Rental Permit. STRs are subject to a Short-Term Rental Permit, pursuant to this Subsection. An Owner or Operator must apply for and obtain a Short-Term Rental Permit before operating an STR.
2. The Planning Director makes the determination on the Short-Term Rental Permit application, based on compliance with provisions in this Subsection XI-10-13.16.
3. The application must contain the following information and documentation:
  - a. The name, address, and telephone number of the Owner of the subject short-term rental unit;
  - b. If the Applicant is not the Owner, the Applicant must demonstrate written consent of the Owner to operate a Short-Term Rental Unit on the property;
  - c. The name, address, and telephone number of the Owner's authorized agent or representative, if any;
  - d. The name, address, and 24-hour telephone number of the Alternative Contact Person;
  - e. Verification that the Alternative Contact Person can respond in person to the site of the short-term rental unit within sixty (60) minutes of notification of a complaint;
  - f. The address of the proposed STR;
  - g. The number of bedrooms in the STR;
  - h. The location and dimensions of the off-street parking space designated for the STR;
  - i. For STRs located in any area governed by a homeowners' association or community association (association) and subject to CC&Rs, the Applicant must additionally submit a copy of a letter to the association's governing board stating the applicant's intent to operate a Short-Term Rental Unit and inviting the association to submit a letter to the City stating one of the following: (1) that short-term rentals are not prohibited at the proposed unit by the CC&Rs; or (2) that a short-term rental is allowed at the proposed unit under the CC&Rs, but only under certain conditions, and a statement of whether or not the conditions here are met; or (3) that the CC&Rs do not allow short-term rentals as defined herein. The association's response is not determinative, but it is a factor that may be considered by the Planning Director;
  - j. A copy of the Good Neighbor Manual, signed by the Owner, certifying that the Owner has read and understands the guidelines for responsible operation;
  - k. The Operator must attach a copy of the "Smoke Alarm & Carbon Monoxide Alarm Self Certification" for the property to be used as a Short-Term Rental to the application in order to ensure the space has smoke alarms and carbon monoxide alarms and spark arrestors installed; and
  - l. Such other information as the Planning Director deems reasonably necessary to administer this Subsection.

F. Compliance Review. The Planning Director or the Planning Director's designee will review the Short-Term Rental Permit within one (1) year after issuance for compliance with this Subsection. The Planning Director or his or her designee will conduct a similar compliance review of Short-Term Rental Permits on an annual basis, or as needed, concurrent with renewal of the Business License for each use. Any failure to conduct a review does not waive any noncompliance or the City's right to conduct a review in the future.

G. Change in Ownership. If there is a change of property ownership, change of Owner's agent or representative, or any other change in material facts pertaining to the information contained in the Short-Term Rental Permit

application, the new owner or new owner's authorized agent or representative shall obtain a new Business License and notify the City prior to continuing to rent the subject unit as a short-term rental. The Planning Director or her designee will conduct a compliance review of the Short-Term Rental Permit for the subject property in conjunction with the application for a Business License by the new property owner.

- H. Violation of Regulations. Violation of any provision of this Chapter, including the requirement to maintain a current Business License, may result in the revocation of the Short-Term Rental Permit after notice and an opportunity for a hearing has been given to the permittee, in accordance with Subsection XI-10-63.06 "Revocation, Suspension, Modification."
- I. Enforcement. Where prompt compliance is not forthcoming, the City may take any appropriate enforcement action to secure compliance. All remedies in the Milpitas Municipal Code are considered cumulative and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing these provisions.

## SECTION 8. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE XI, CHAPTER 10, SECTION 53

Title XI, Chapter 10, Section 53 "Off-Street Parking Regulations," Subsection XI-10-53.09 "Off-Street Parking by Land Use," Table XI-10-53.09-1 "Number of Parking Spaces Required," Section I. Residential Uses, of the Milpitas Municipal Code is hereby amended to read as follows:

**Table 53.09-1**  
**Number of Parking Spaces Required**

Use	Minimum Parking Spaces Required
<b>I. Residential Uses</b>	
Single Family and Duplexes:	
3 bedrooms or fewer	2 per unit <sup>4</sup>
4 or more bedrooms	3 per unit, plus 1 per each additional bedroom <sup>4</sup>
Multi-Family (R3-R5 zones):	
Studio	1 covered per unit
1 bedroom	1.5 covered per unit
1 or more 2 - 3 bedrooms	2 covered per unit
4 or more bedrooms	3 per unit, plus 1 additional space for each additional bedroom (at least two covered). <sup>4</sup>
Guest parking	
Projects with Parking structures	15% of the total required, may be uncovered
Projects with Private garages	20% of the total required, may be uncovered
Bicycle parking	5% of the total required
Boarding houses, dormitories, sororities and fraternities	1 per each room rented
Live-Work Units	<i>Single family and duplexes</i> parking requirements shall apply, plus 1.5 for the commercial component
<i>Mixed Use buildings or sites</i>	
Residential use	
Studio	1 covered per unit

1 bedroom	1.5 covered per unit	34
2 - 3 bedrooms	2 covered per unit	
4 or more bedrooms	3 per unit, plus 1 additional space for each additional bedroom (at least two covered). <sup>4</sup>	
Guest parking		
Projects with Parking structures	15% of the total required, may be uncovered	
Projects with Private garages	20% of the total required, may be uncovered	
Bicycle parking	5% of total required	
Commercial use		
Ground Floor Retail	1 per 250 sq. ft.	
Office	If building is 1,000 sq. ft. or smaller: 1 per 250 sq. ft. If building is larger than 1,000 sq. ft.: 3.3 per 1,000 sq. ft.	
Short-Term Rentals	1 per unit	
Other uses	Refer to specific uses within this table	
Bicycle parking	5% of total required	
Mobile Homes	Refer to Section 13.07, Mobile Homes	
Senior Housing	1 per unit plus 2 per manager's unit	
Single Room Occupancy (SRO)	1 per unit	

<sup>1</sup> Refer to Subsection 2.03, Definitions, of this Chapter for a full description of "Commercial Services."

<sup>2</sup> For loading and unloading: One (1) parking space per six (6) children up to five (5) spaces and thereafter one (1) space per ten (10) children. Driveways, garage aprons and street frontage may be counted if appropriate permits are first received when calculating spaces for child care homes. Tandem spaces are prohibited.

<sup>3</sup> Exceptions for Child Care Requirements: The parking and loading/unloading requirements for child care facilities may in the Planning Commission's discretion be reduced, based on an empirical study (provided by the applicant) which establishes no adverse effects will occur as a result. The required number of loading/unloading spaces may be reduced without a study by one (1) space for each employee permanently assigned to load and unload children from vehicles.

<sup>4</sup> Applicable to new and existing projects being remodeled resulting in additional bedrooms submitted for approval after April 7, 2009. Existing projects or projects either entitled or submitted active planning applications prior to April 7, 2009 shall use the parking regulations in effect at the time of entitlement or application submittal. For R4, R5, MXD/MXD2/MXD3 zones, 15% guest parking is legal and conforming for projects entitled or active planning applications submitted prior to April 7, 2009.

## SECTION 9. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

## SECTION 10. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.



**C4. Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1 (McCarthy Ranch) (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Adopt a resolution to initiate proceedings for the annual levy and collection of assessments and ordering preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1 (McCarthy Ranch)
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Steve Erickson 408-586-3301
<b>Recommendation:</b>	Adopt a Resolution Initiation Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1 (McCarthy Ranch)

### **Background:**

On May 2, 1995, the City Council completed its proceedings in accordance with and pursuant to the Landscaping and Lighting Act of 1972, establishing the Landscaping and Lighting Maintenance Assessment District No. 95-1 (McCarthy Ranch) (LLMD 95-1) to provide for improvement and maintenance of public landscaping, irrigation, pedestrian lighting, gateway columns and entry signs along portions of North McCarthy Boulevard and the Ranch Drive gateway between State Route 237 and Dixon Landing Road.

### **Analysis:**

The Landscaping and Lighting Act of 1972 requires adoption of a resolution directing preparation of the annual engineer's report evaluating LLMD 95-1 maintenance and improvement costs and generally describing any proposed new improvements or any substantial changes in existing improvements. At subsequent meetings, the City Council will be asked to approve the completed engineer's report and to schedule a public hearing for the proposed assessment in May and June 2020. Upon City Council approval, the assessment for the maintenance and improvement work will be added to the 2020-21 property tax bills of property owners within the boundaries of LLMD 95-1.

### **Policy Alternatives:**

#### **Alternative 1:**

Not adopt a resolution initiating proceeding for the annual levy and collection of assessments and ordering the preparation of the annual engineer's report for LLMD 95-1.

Pros: None

Cons: The Landscaping and Lighting Act of 1972 requires the legislative body adopt the resolution, not adopting the resolution would jeopardize the City's ability to collect assessments for the maintenance and upkeep of LLMD 95-1.

Reason not recommended: To allow for the continued maintenance for LLMD 95-1, staff recommends ordering the preparation of the annual engineers report to begin the proceedings for the levy and collection of assessments for fiscal year 2020/21.

**Fiscal Impact:**

The levy and collection of assessments provides a funding resource for the City to improve and maintain public landscaping, irrigation, pedestrian lighting, gateway columns and entry signs within LLMD 95-1.

**California Environmental Quality Act:**

Levy and collection of assessment is not considered a project under CEQA as there will be no direct or reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Adopt a resolution directing the preparation of the annual engineer's report for LLMD No. 95-1.

**Attachments:**

Resolution

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT NO. 95-1 (MCCARTHY RANCH) FOR FISCAL YEAR 2020/21, ORDERING THE PREPARATION OF THE ANNUAL ENGINEER'S REPORT, AND MAKING CERTAIN FINDINGS RELATED THERETO**

**WHEREAS**, on May 2, 1995, the City Council (the "City Council") of the City of Milpitas (the "City") completed its proceedings in accordance with and pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500) (the "Act") to establish Landscaping and Lighting Maintenance Assessment District No. 95-1 (McCarthy Ranch) (the "Maintenance District"), for the purpose of paying for the installation, construction, maintenance and/or servicing of certain improvements authorized under the Act, and incidental expenses in connection therewith (collectively, the "Improvements"); and

**WHEREAS**, Section 22620, *et seq.* of the Act provides for the levy of annual assessments after formation of the Maintenance District; and

**WHEREAS**, the City has retained NBS Government Finance Group as assessment engineer for the purpose of assisting with the annual levy of the Maintenance District, and the preparation and filing of a report in accordance with Section 22565, *et seq.*, of the Act (the "Engineer's Report"); and

**WHEREAS**, pursuant to Section 22622 of the Act, the City Council wishes to initiate proceedings to provide for the levy of assessments for Fiscal Year 2020/21 in order to provide funding for the necessary costs and expenses pertaining to the maintenance of the Improvements within the Maintenance District.

**NOW, THEREFORE**, the City Council hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Engineer's Report: The City Council hereby orders NBS Government Finance Group to prepare and file with the City Clerk the Engineer's Report concerning the levy and collection of assessments within the Maintenance District for the fiscal year commencing July 1, 2020, and ending June 30, 2021, in accordance with Section 22565, *et seq.*, of the Act.
3. New Improvements or Changes to Existing Improvements: New landscaping and irrigation improvements were installed along the west side of North McCarthy Boulevard between Ranch Drive and 1,700 feet north of Ranch Drive as part of the McCarthy Creekside Phase I project. Improvements include ground cover, irrigation control and gate valves. The addition of new Improvements will result in an increase to the annual maintenance costs.

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PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

**C5. Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1 Sinclair Horizon (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Adopt a resolution to initiate proceedings for the annual levy and collection of assessments and ordering preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1 (Sinclair Horizon)
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Steve Erickson 408-586-3301
<b>Recommendation:</b>	Adopt a Resolution Initiating Proceedings for the Annual Levy and Collection of Assessments and Ordering the Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1 (Sinclair Horizon)

### **Background:**

On June 16, 1998, the City Council completed its proceedings in accordance with and pursuant to the Landscaping and Lighting Act of 1972, establishing the Landscaping and Lighting Maintenance Assessment District No. 98-1 (Sinclair Horizon) (LLMD 98-1) to provide for improvement and maintenance of public landscaping, irrigation, and pedestrian walking path adjacent to Sinclair Frontage Road, and Los Coches Creek abutting the Sinclair Horizon residential subdivision.

### **Analysis:**

The Landscaping and Lighting Act of 1972 requires adoption of a resolution directing preparation of the annual engineer's report evaluating LLMD 98-1 maintenance and improvement costs and generally describing any proposed new improvements or any substantial changes in existing improvements. At subsequent meetings, the City Council will be asked to approve the completed engineer's report and to schedule a public hearing for the proposed assessment in May and June 2020. Upon City Council approval, the assessment for the maintenance and improvement work will be added to the 2020-21 property tax bills of property owners within the boundaries of LLMD 98-1.

### **Policy Alternatives:**

#### **Alternative 1:**

Not adopt a resolution initiating proceeding for the annual levy and collection of assessments and ordering the preparation of the annual engineer's report for LLMD 98-1.

Pros: None

Cons: The Landscaping and Lighting Act of 1972 requires the legislative body adopt the resolution, not adopting the resolution would jeopardize the City's ability to collect assessments for the maintenance and upkeep of LLMD 98-1.

Reason not recommended: To allow for the continued maintenance for LLMD 98-1, staff recommends ordering the preparation of the annual engineers report to begin the proceedings for the levy and collection of assessments for fiscal year 2020/21.

### **Fiscal Impact:**

The levy and collection of assessments provides a funding resource for the City to improve and maintain landscaping, irrigation, and pedestrian walking path within LLMD 98-1.

**California Environmental Quality Act:**

Levy and collection of assessment is not considered a project under CEQA as there will be no direct or reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Adopt a resolution directing the preparation of the annual engineer's report for LLMD No. 98-1.

**Attachments:**

Resolution



**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS, INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT NO. 98-1 (SINCLAIR HORIZON) FOR FISCAL YEAR 2020/21, ORDERING THE PREPARATION OF THE ANNUAL ENGINEER'S REPORT, AND MAKING CERTAIN FINDINGS RELATED THERETO**

**WHEREAS**, on June 16, 1998, the City Council (the "City Council") of the City of Milpitas (the "City") completed its proceedings in accordance with and pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500) (the "Act") to establish Landscaping and Lighting Maintenance Assessment District No. 98-1 (Sinclair Horizon) (the "Maintenance District"), for the purpose of paying for the installation, construction, maintenance and/or servicing of certain improvements authorized under the Act, and incidental expenses in connection therewith (collectively, the "Improvements"); and

**WHEREAS**, Section 22620, *et seq.* of the Act provides for the levy of annual assessments after formation of the Maintenance District; and

**WHEREAS**, the City has retained NBS Government Finance Group as assessment engineer for the purpose of assisting with the annual levy of the Maintenance District, and the preparation and filing of a report in accordance with Section 22565, *et seq.*, of the Act (the "Engineer's Report"); and

**WHEREAS**, pursuant to Section 22622 of the Act, the City Council wishes to initiate proceedings to provide for the levy of assessments for Fiscal Year 2020/21 in order to provide funding for the necessary costs and expenses pertaining to the maintenance of the Improvements within the Maintenance District.

**NOW, THEREFORE**, the City Council hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Engineer's Report: The City Council hereby orders NBS Government Finance Group to prepare and file with the City Clerk the Engineer's Report concerning the levy and collection of assessments within the Maintenance District for the fiscal year commencing July 1, 2020, and ending June 30, 2021, in accordance with Section 22565, *et seq.*, of the Act.
3. New Improvements or Changes to Existing Improvements: There are no changes to existing Improvements nor are there any items being added to the list of Improvements previously approved at the formation of the Maintenance District.

//  
//

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

**C6. Adopt a Resolution Acknowledging Receipt by City Council of a State Mandated Compliance Report on Required Annual Fire Inspection of Certain Occupancies (Staff Contact: Albert Zamora, 408-586-3371)**

Recommendation: Adopt a Resolution acknowledging receipt of the report herein by the Milpitas Fire Department regarding the inspection of certain occupancies requiring annual inspections pursuant to sections CA HSC §13146.2 and §13146.3 of the CA Health and Safety Code.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt a Resolution Acknowledging Receipt by City Council of a State Mandated Compliance Report on Required Annual Fire Inspection of Certain Occupancies</b>
<b>Category:</b>	Consent Calendar-Public Safety
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	<b>Albert Zamora, Deputy Fire Chief, 408-586-3371</b>
<b>Recommendation:</b>	Adopt a Resolution acknowledging receipt of the report herein by the Milpitas Fire Department regarding the inspection of certain occupancies requiring annual inspections pursuant to sections CA HSC §13146.2 and §13146.3 of the CA Health and Safety Code.

### **Background:**

Senate Bill 1205 (SB 1205), which became effective in September 2018, added CA HSC §13146.4 to enhance an existing law that requires every city, county or district fire department providing fire protection services to annually inspect specific residential occupancies, including hotels, motels, apartment houses, and similar occupancies for compliance with building standards, within the jurisdiction (CA HSC §13146.2). Existing law also requires annual inspection of every building used as a K-12 grade public or private school within the jurisdiction (CA HSC §13146.3). SB 1205 creates a new mandatory process whereby fire departments must report annually to their governing authority regarding compliance with safety inspection requirements. SB 1205 further requires the governing authority to acknowledge receipt of the report via resolution or another similar formal document. Within the City of Milpitas, for the calendar year 2019, there were 643 occupancies required to be inspected under the current state regulations.

### **Analysis:**

Senate Bill 1205 requires an inspection status report to be given to Council during its annual budget discussion (or at another time determined by Council), and that Council acknowledge receipt of the report in the manner described above.

As part of the reporting requirements, the Milpitas Fire Department is pleased to report the completion of 100% of residential type occupancy inspections and the completion of 100% of school type occupancy inspections for the calendar year 2019.

### **2019 Inspection Status Report Data**

<b>Occupancy Type</b>	<b>No. of Facilities</b>	<b>Inspections Performed</b>	<b>% Completion</b>
Public and Private Schools	22	22	100
Residential Occupancies: Apartment Houses, Hotels/Motels, and other Similar Residential Occupancies	621	621	100

**Policy Alternative: none**

California Senate Bill SB1205 was approved and signed into state law by the Governor on September 27, 2018. Therefore, there is no policy alternative.

**Fiscal Impact:**

Section 66014 of the California Government Code as referenced in the Health & Safety Code Section 13146, as well as the 2019 California Fire Code Sections 1.11.2.1.1, and Section 106.2, allows fire departments to charge fees for permit, inspection, and enforcement activities. The City Council has previously approved a cost recovery mechanism for the inspection mandates in the form of inspection fees as allowed by the Health and Safety Code. Revenues and related expenditures were included in the FY 2018-19 and 2019-20 budgets.

**California Environmental Quality Act:**

The action being considered does not constitute a project within the meaning of the CA Environmental Quality Act (CEQA) guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Adopt a resolution acknowledging receipt of the report herein by the Milpitas Fire Department regarding the inspection of certain occupancies requiring annual inspections pursuant to sections CA HSC §13146.2 and §13146.3 of the CA Health and Safety Code.

**Attachment:**

Resolution

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS  
ACKNOWLEDGING RECEIPT OF A REPORT FROM THE MILPITAS FIRE DEPARTMENT  
CONFIRMING THE INSPECTION OF CERTAIN OCCUPANCIES WHICH REQUIRE  
ANNUAL INSPECTIONS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE  
SECTIONS 13146.2 AND 13146.3**

**WHEREAS**, California Health & Safety Code Section 13146.4 was added in 2018, and became effective on September 27, 2018; and

**WHEREAS**, California Health & Safety Code Sections 13146.2 and 13146.3 require all fire departments, including the Milpitas Fire Department, that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, apartment house, and other similar residential-type occupancies for compliance with building standards, as provided; and

**WHEREAS**, California Health & Safety Code Section 13146.4 requires all fire departments, including the Milpitas Fire Department, that provides fire protection services to report annually to its administering authority when it discusses its annual budget, or at another time determined by the administering authority, in its compliance with Section 13146.2 and 13146.3; and

**WHEREAS**, the City Council intends this Resolution to fulfill the requirements of the California Health & Safety Code regarding acknowledgement of the Milpitas Fire Department's compliance with California Health and Safety Code Sections 13146.2 and 13146.3.

**NOW, THEREFORE**, the City Council hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council chooses this time to receive and hereby acknowledges receipt of the 2019 Inspection Status Report from the Milpitas Fire Department.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher Diaz, City Attorney

- C7. Adopt a Resolution Granting Acceptance of the Transit Area Specific Plan On-Street Parking Program Project No. 2017, authorizing the City Engineer to file a Notice of Completion, and to authorize the City Engineer to issue a Notice of Final Acceptance (Staff Contact: Steve Chan, 408-586-3324)**

Recommendation: Adopt a resolution granting acceptance of the Transit Area Specific Plan On-Street Parking Program, Project No. 2017, authorizing the City Engineer to file a Notice of Completion, and to authorize the City Engineer to issue a Notice of Final Acceptance after the one-year warranty.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt a Resolution Granting Acceptance of the Transit Area Specific Plan On-Street Parking Program Project No. 2017, authorizing the City Engineer to file a Notice of Completion, and to authorize the City Engineer to issue a Notice of Final Acceptance</b>
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Steve Chan, 408-586-3324
<b>Recommendation:</b>	Adopt a resolution granting acceptance of the Transit Area Specific Plan On-Street Parking Program, Project No. 2017, authorizing the City Engineer to file a Notice of Completion, and to authorize the City Engineer to issue a Notice of Final Acceptance after the one-year warranty.

### **Background**

On September 17, 2019, the City Council awarded a construction contract to Chrisp Company for the Transit Area Specific Plan (TASP) On-Street Parking Program, Project No. 2017 in the amount of \$116,130 ("Project"). The Project provides 4-hour time limited parking signage on public streets within a half-mile around Milpitas Transit Center. The Project was successfully completed on time and within budget.

### **Analysis**

The work was successfully completed on time and within Project budget. Staff recommends that the City Council adopt a resolution granting acceptance of the Project and authorizing the City Engineer to file a Notice of Completion. Staff also recommends the City Council authorize the City Engineer to issue a notice of final acceptance after the one-year warranty period without further City Council action, provided that all warranty work is completed to the satisfaction of the City Engineer.

### **Policy Alternative**

**Alternative:** Do not adopt Resolution and deny Project acceptance, deny filing a notice of completion and not begin the one-year warranty.

**Pros:** None

**Cons:** A denial would result in the City being unable to commence the one-year warranty and close and release any funds still in the Project budget.

**Reason not Recommended:** Denial would result in the City being unable to close out the Project and release any funds remaining in the Project budget which could be used towards other projects.

### **Fiscal Impact**

Adequate funds were available in the Project budget to complete the Project.

### **California Environmental Quality Act**

The Project is exempt under Section 15301 (Existing Facilities) of the CEQA guidelines.



**Recommendation**

Adopt a resolution granting acceptance of Project No. CIP No. 2017, TASP On-Street Parking Program Project, authorizing the City Engineer to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code, and to issue a Notice of Final Acceptance after the one-year warranty.

**Attachment:**

Resolution

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS GRANTING ACCEPTANCE OF  
TRANSIT AREA SPECIFIC PLAN (TASP) ON-STREET PARKING PROGRAM, PROJECT NO. 2017**

**WHEREAS**, the City of Milpitas has heretofore entered into a contract with Chrisp Company, for the TASP On-Street Parking Program, Project No. 2017 in the amount of \$116,130 ("Project"), and the City Engineer of the City of Milpitas has recommended acceptance of said improvement as completed in accordance with plans, specifications and approved change orders and correction lists, and in accordance with the final inspection of said City Engineer.

**NOW, THEREFORE**, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City of Milpitas does hereby accept the Project as completed on this 3rd day of March, 2020, and does hereby authorize and direct the City Engineer of the City of Milpitas to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code of the State of California, and does hereby authorize and direct the City Engineer to file a Certificate of Completion in accordance with the provisions of Section 4005 of the Government Code of the State of California, if said work was by day's labor or force account.
3. The City Council authorizes the City Engineer to issue the Notice of Final Acceptance after the one-year warranty period without further City Council action, provided all required warranty repairs are completed to the satisfaction of the City Engineer; and nothing herein contained shall in any way be deemed to be a waiver, release or relinquishment by City of any obligations imposed upon the contractor or its surety, or sureties, by law or by the above-referenced improvement contract, save and except those obligations specifically mentioned herein.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

Recording Requested by and  
When Recorded Mail to:

53

City of Milpitas  
455 East Calaveras Boulevard  
Milpitas, CA 95035  
Attention: City Clerk

Record without fee under  
Section 6103 - Government Code  
State of California

CITY OF MILPITAS

NOTICE OF COMPLETION  
(Civil Code Section 9204)

NOTICE IS HEREBY GIVEN:

1. On or about September 17, 2019, the City Council of the City of Milpitas, a municipal corporation of the State of California, whose address is City Hall, 455 East Calaveras Boulevard, Milpitas, California, 95035 (as owner) entered into a contract for work of: **TASP On-Street Parking Program, Project No. 2017.**

A description of the site of which the City is co-owner for said work of improvement is: McCandless Dr., Centre Pointe Dr., Houret Dr., Sango Ct, Expedition Ln., Momentum Dr., Journey St., Tarob Ct., Lundy Pl., Watson Ct. , Pecten Ct., Piper Drive, Merry Loop, Garden St., and Gladding Ct in the City of Milpitas, Santa Clara County, California, more particularly described on the plans.

3. The name and address of the direct contractor is: **Chrisp Company, 43650 Osgood Road P.O. Box 1368, Fremont, CA 94539.**
4. A general statement of the kind of work done or materials furnished to the City is as follows: Install 4-hour time limited parking signage on public streets within a half-mile around Milpitas Transit Center.
5. Said work of improvement was accepted by the Milpitas City Council as complete on **March 3, 2020.**

\*\*\*\*\*

I, the undersigned, declare that I am the **City Engineer** of the City of Milpitas and am authorized to execute the foregoing Notice of Completion and this Verification thereof. I have read the foregoing Notice of Completion. I declare under penalty of perjury that the foregoing Notice of Completion is true and correct. Executed on \_\_\_\_\_, 2020 at Milpitas, California.

\_\_\_\_\_  
Steve P. Erickson, City Engineer  
City of Milpitas

NOTE: RECORD WITHIN 15 DAYS OF ACCEPTANCE WITH COUNTY RECORDER OF SANTA CLARA COUNTY

**C8. Approve the List of Pre-qualified Bidders and Authorize Advertisement for Bids of Fire Station No. 2 Replacement, Project No. 3447 (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Approve List of Pre-qualified bidders and authorize advertisement for bids for Fire Station No. 2 Replacement, Project No. 3447.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Approve the list of prequalified bidders and authorize advertisement for bids of the Fire Station No. 2 Replacement Project No. 3447</b>
<b>Category:</b>	Consent Calendar-Community Services and Sustainable Infrastructure
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Steve Erickson, City Engineer, 408-586-3301
<b>Recommendation:</b>	Approve List of Prequalified bidders and authorize advertisement for bids for the Fire Station No. 2 Replacement, Project No. 3447.

### **Background:**

The 2019-2024 Capital Improvement Program includes Project No. 3447 for the replacement of Fire Station No. 2 located at 1263 Yosemite Drive (Project). The Project scope includes construction of new single story, wood frame building, with site improvements and furniture, fixtures and equipment. The new fire station will consist of three apparatus bays, dorm rooms, office, day room, kitchen and a community meeting room that will be available for public use.

The Project design phase is nearing completion and the plans and specifications will be ready for bid advertisement this spring. On January 7, 2020, the City Council adopted a resolution approving the bidder prequalification procedures and authorized the advertisement of the bidder prequalification package for the Project. This process allows interested bidders to submit their qualification materials to the City for review and approval. As a result of the prequalification process, only contractors that demonstrated recent relevant experience with successful completion of public buildings, fire and police stations, or other essential facilities were deemed qualified to submit a bid for this Project.

### **Analysis:**

The Project prequalification package was advertised on January 8, 2020, and the deadline to submit qualifications statements was on January 28, 2020. Staff received qualification statements from seven contractors. Staff reviewed the submitted qualifications statements and determined only four contractors meet the prequalification requirements pursuant to the scoring procedures set forth in the prequalification package.

The prequalification results were released on January 31, 2020, and the seven contractors were notified of the results. No appeal of the prequalification results was received within the time specified for appeal. The summary of the prequalification results is as follows:

Company Name	Location	Qualified
<b>C. Overaa &amp; Co.</b>	<b>San Jose, CA</b>	<b>Yes</b>
<b>Angeles Contractor, Inc.</b>	<b>City of Industry, CA</b>	<b>Yes</b>
<b>DL Falk Construction Inc.</b>	<b>Hayward, CA</b>	<b>Yes</b>
<b>Sausal Corporation</b>	<b>Concord, CA</b>	<b>Yes</b>
Gonsalves & Stronck Construction Company Inc.	San Carlos, CA	No
Rodan Builders	Hayward, CA	No
Beals Martin and Associates, Inc	Redwood City, CA	No

Staff recommends the City Council approve the list of prequalified bidders and authorize advertisement for the Fire Station No. 2 Replacement Project No. 3447.

**Policy Alternative:**

**Alternative:** Not to approve list of prequalified bidders

Pros: Potential for a larger pool of bidders.

Cons: Not approving the prequalified bidder list would result in risking awarding a contract to a contractor lacking experience and expertise in the construction of an essential facility such as Fire Station No. 2.

Reason not Recommended: The Project is designed as an essential facility and having a qualified and experienced contractor on this Project is required to ensure the Project is completed on time, within budget, and with the specified quality.

**Fiscal Impact:**

The City Council is scheduled to consider the sale of Lease Revenue bonds in the amount of \$13 million on April 21, 2020. With the forthcoming sale of the bonds, the Project budget will have sufficient funds to award a construction contract (award is scheduled for June 2020).

**California Environmental Quality Act:**

The proposed Project qualifies for categorical exemption under Class 2 "Replacement or Reconstruction" as defined in CEQA Guidelines Section 15302.

**Recommendation:**

Approve the list of prequalified bidders and authorize advertisement for bids of the Fire Station No. 2 Replacement, Project No. 3447.

**Attachment:**

List of prequalified bidders



**CITY OF MILPITAS  
FIRE STATION NO. 2 REPLACEMENT  
PROJECT NO. 3447  
PRE-QUALIFIED BIDDER LIST**

The City of Milpitas has determined that the following contractors, in no particular order, have met the pre-qualification requirements to bid as the prime contractor on the Fire Station No. 2 Replacement, Project No. 3447.

- |    |                          |   |
|----|--------------------------|---|
| 1. | C. Overaa & Co.          | 2380 Qume Drive, Suite A, San Jose CA 95131   |
| 2. | Angeles Contractor, Inc  | 783 Philips Drive, City of Industry, CA 91748 |
| 3. | DL Falk Construction Inc | 3526 Investment Blvd, Hayward, CA 94545       |
| 4. | Sausal Corporation       | 3550 Willow Pass Road, Concord, CA 94519      |

Please contact Lyhak Eam, P.E at 408-586-3349 or via email at [leam@ci.milpitas.ca.gov](mailto:leam@ci.milpitas.ca.gov) if you have any questions.

Sincerely,

Michael Silveira, P.E.  
CIP Manager

**C9. Authorize the Interim City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc. for the Holiday Inn Project at 1100 Cadillac Court (Staff Contact: Steve Erickson, 408-586-3301)**

Recommendation: Authorize the Interim City Manager to execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc. for the Holiday Inn development project at 1100 Cadillac Court.





## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Authorize the Interim City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc. for the Holiday Inn Project at 1100 Cadillac Court</b>
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Steve Erickson, City Engineer 408-586-3301
<b>Recommendation:</b>	Authorize the Interim City Manager to execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc. for the Holiday Inn development project at 1100 Cadillac Court.

### **Background:**

On March 3, 2015, the City Council approved Site Development Permit (SD14-0016), Conditional Use Permit (UP14-0017), and Variance (VA14-0001) to allow for the development of a 128-room, 4-story hotel on approximately 3.29 acres located at 1100 Cadillac Court ("Project").

In accordance with State law and the City's Municipal Regional Stormwater NPDES Permit ("MRP") issued by the Regional Water Quality Control Board (RWQCB), new development and redevelopment projects that create and/or replace 10,000 square feet or more of impervious surface are required to incorporate Low Impact Development (LID) post construction stormwater control measures into the project. LID control measures include, for example, bioretention areas, flow-through planters, permeable pavement, infiltration trenches and tree well filters.

### **Analysis:**

MRP section C.3.h.ii.(1)(a) and Milpitas Municipal Code Title XI Chapter 16 require development project property owners meeting the 10,000 square-foot threshold to execute and record a Stormwater Management Facilities Operation and Maintenance Agreement (O&M) ("Agreement") with the City for the perpetual operation, maintenance and annual inspection of LID stormwater treatment facilities.

The Project owner has complied with the LID requirements and has executed the required O&M Agreement, which has been reviewed by the City Attorney as to form and by the City Engineer as to content.

### **Policy Alternative:**

**Alternative:** Do not approve the Agreement with the City for operation, maintenance and annual inspection of stormwater treatment facilities.

Pros: None

Cons: Not approving the Agreement would cause the project to be not in compliance with the conditions of development and the City's Municipal Code and would be prohibitive by federal and state law.

Reason not recommended: To be in compliance with federal and state law, including the MRP, and to allow for the on-going maintenance and annual City Inspection of the installed stormwater treatment devices, staff recommends approval of the Agreement.

**Fiscal Impact:**

The developer will pay for the required annual maintenance and inspection of the stormwater facilities.

**California Environmental Quality Act:**

This Agreement ensures the continuation of an administrative or maintenance activity. Execution of the Agreement is not considered a project under CEQA Guidelines section 15378(b)(4) as there will be no direct or reasonably foreseeable indirect physical change in the environment from this action to ensure continuing administrative and maintenance activities.

**Recommendation:**

Authorize the Interim City Manager to Execute a Stormwater Management Facilities Operation and Maintenance Agreement for Alps Group, Inc., for the Holiday Inn Project at 1100 Cadillac Court.

**Attachments:**

Stormwater Management Facilities Operation and Maintenance Agreement

Exhibit A Legal Description

Exhibit B Stormwater Manual

Control No. 2020-\_\_\_\_\_  
 Recording Requested by  
 and when Recorded, return to:

CITY OF MILPITAS  
 455 E. CALAVERAS BOULEVARD  
 MILPITAS, CA 95035-5479

Attn: City Clerk

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(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

Document Transfer Tax is \$ 0

( ) Computed on full value of property conveyed

( ) Computed on full value less value of liens and encumbrances remaining

City transfer tax is \$ 0

APN: 022-57-001

### STORMWATER MANAGEMENT FACILITIES OPERATION AND MAINTENANCE AGREEMENT

This Stormwater Management Facilities Operation and Maintenance Agreement ("AGREEMENT") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2020 ("Effective Date"), by and between ALPS Group, Inc. ("Property Owner") and the City of Milpitas, a municipal corporation of the State of California ("City").

### RECITALS

This AGREEMENT is made and entered into with reference to the following facts:

- A. **WHEREAS**, the Property Owner is the owner of real property more particularly depicted and described on the attached as **Exhibit A** ("Property") and fully incorporated herein by reference; and
- B. **WHEREAS**, the Property Owner received entitlements from the City allowing the development of the Property, including the construction of a 4-story hotel building comprising up to 128 units with, emergency vehicle access, utilities, and associated offsite and onsite improvements landscaping, irrigation, and stormwater treatment measures on a 3.29 acre site located at 1100 Cadillac Court in Milpitas and more commonly known as Holliday Inn Suites Hotel, Project No. PJ 1092, (the "Project") on the Property; and subject to conditions set forth in the following (collectively "City Approvals"):
  1. Resolution No. 8453 approving Site Development Permit No. SD14-0016,
  2. Resolution No. 8453 approving Conditional Use Permit No. UP14-0017, and

3. Resolution No. 8453 approving Variance No. VA14-0001.

- C. **WHEREAS**, discharges to the City's municipal separate storm sewer system ("MS4") are regulated under state and federal law pursuant to Waste Discharge Requirements and National Pollutant Discharge Elimination System permit ("MS4 Permit") issued by the Regional Water Quality Control Board, San Francisco Region ("Regional Board").
- D. **WHEREAS**, pursuant to the requirements of the MS4 Permit and the City's Stormwater and Urban Runoff Pollution Control Ordinance as codified in Milpitas Municipal Code Chapter 16 ("Ordinance"), the City Approvals require the Property Owner to install, operate and maintain, at no cost or expense to the City, the Permanent Stormwater Pollution Prevention Measures ("BMPs") more particularly described in the City-approved Stormwater Control Operation and Maintenance Plan (sometimes referred to herein as "Plan") for the Project attached hereto as **Exhibit B** and fully incorporated herein by reference; and
- E. **WHEREAS**, the Stormwater Control Operation and Maintenance Plan may be subsequently modified from time to time with City's written approval and such changes shall be fully incorporated as part of this Agreement by this reference; and
- F. **WHEREAS**, the Stormwater Control Operation and Maintenance Plan includes provisions for the BMP Operation and Maintenance and an annual inspection checklist for the BMPs constructed on the Property, and
- G. **WHEREAS**, this Agreement memorializes the Property Owner's maintenance, operations, and inspection obligations under the City's Ordinance and the approved Stormwater Control Operation and Maintenance Plan.

**NOW, THEREFORE**, in consideration of the foregoing premises, the mutual covenants contained herein, and the following terms and conditions, the parties hereto agree as follows:

**SECTION 1. Responsibility for Operation and Maintenance:**

The Property Owner, at its sole cost and expense, shall construct and install the BMPs shown in Exhibit B in accordance with the plans approved by and on file with the City. Property Owner shall diligently maintain in perpetuity the BMPs in a manner assuring peak performance at all times, shall make such changes or modifications to the BMPs, subject to City's prior approval as may be reasonably necessary for the BMPs to continue to operate as designed and approved and to accomplish its intended purpose and in good repair, and in compliance with all applicable Federal, State, County and local laws and regulations, including but not limited to the Ordinance, as the same may be amended, revised, and/or replaced from time to time. The Owner shall be responsible for the costs incurred in operating, maintaining, repairing and replacing the BMPs. Property Owner shall not destroy or remove the BMPs or modify any measure in any manner that would lessen its effectiveness. Property Owner shall make available copies of the approved Stormwater Control Operation and Maintenance Plan at the site with the facility or property manager.

## **SECTION 2: Inspection by Property Owner:**

The Property Owner, at its sole cost and expense, shall conduct annual inspections of all permanent installed BMPs per the Plan. The annual inspection report shall include completion of the checklist described in the approved Stormwater Control Operation and Maintenance Plan. The BMPs must be inspected by a qualified independent inspector who is acceptable to the City. The Property Owner shall submit the Inspection Report on these BMPs to the City Engineer no later than July 15<sup>th</sup> of each year.

## **SECTION 3. Facility Inspection by the City:**

- (a) Right of Entry. The Property Owner, on its behalf and on behalf of its successors and assigns, grants permission to the City, the inspectors of the Regional Board, and local mosquito and vector control agency, and their authorized agents and employees, to enter the Property, and to inspect the BMPs whenever the City deems necessary to enforce provisions of the Ordinance, this Agreement, or any other local or state requirements. The City may enter the premises at any reasonable time during normal business hours and upon at least 48 hours prior written notice (except that prior written notice is not required in case of emergency) to inspect the premises related to BMPs and BMP operation and maintenance, to inspect and copy records related to storm water compliance, and to collect samples and take measurements related to BMPs. The Property Owner shall deposit and maintain a Private Job Account with the City a minimum balance of Four Thousand Dollars (\$4,000) for inspection by City Staff pursuant to this **Section 3**. The deposit of four Thousand Dollars (\$4,000.00) shall be made simultaneously with the execution of this Agreement.
- (b) Security. The City may require the Owner, its successors and assigns, from time to time, to post security in a form, amount, and for a time period satisfactory to City to guarantee performance of the obligations stated herein. Should the Owner, its successors and assigns, fail to perform the obligations under this Agreement, the City may, in the case of a cash bond, act for the Owner, its successors and assigns, using the proceeds from such cash bond, or in the case of a surety bond, require the surety to perform the obligations of this Agreement.

## **SECTION 4. Failure to Perform Required Facility Repairs or Maintenance by the Property Owner:**

- (a) Enforcement Action. If the Property Owner or its successors fail to operate and maintain the BMPs in good working order and in accordance with the approved Plan and the City's Ordinance, the City may, but is not required to, pursue any enforcement action available at law or in equity to cause the completion of all maintenance and may charge the costs of such enforcement action against the Property Owner in any manner authorized by law or in equity.
- (b) City Maintenance. In the event of Property Owner's failure to operate and maintain BMPs in accordance with the Plan and the City's Ordinance, the City may also, with prior written notice, enter the Property to return the BMPs to good working order; provided however that the Property Owner shall have 30 days after any such notice, or such other time provided by law, to cure the relevant failure and provided further that the Property Owner shall have such additional time after the initial 30 days to complete a cure so long as Property Owner commences the cure within the initial 30 days and diligently prosecutes the cure to completion. Notwithstanding the foregoing, City may in its sole discretion enter the Property to return the BMPs to good working in an emergency and take any other necessary action to mitigate an emergency without any notice to Property Owner. The City is under no obligation to maintain or repair the BMPs, and this Agreement may not be construed to impose any such obligation on the City. If the City, under this **Section 4** takes any action to return the BMPs to good working order, the Property Owner

shall reimburse the City for all the reasonable costs and expenses incurred by the City. The City will provide the Property Owner with an itemized invoice of the City's costs and expenses and the Property Owner shall make full payments to the City within thirty (30) days of the date of the invoice. If the Property Owners fails to pay the invoice within thirty (30) days, the City shall be entitled to cause a lien for any such unpaid maintenance expense bill to be recorded against the Property. In addition, the City shall be entitled to have the unpaid amount of the invoice placed as a special assessment on the next regular tax bill levied against the Property, after which such assessment shall be collected in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and same procedures under foreclosure and sale in the case of delinquency as provided for ordinary municipal taxes. The actions described in this section are in addition to and not in lieu of other legal remedies provided by law. Notwithstanding the above, it is understood that City is under no obligation to repair or maintain the BMPs, and in no event shall this Agreement be construed to impose any such obligation on City.

- (c) Specific Performance. The provisions of this Agreement are expressly declared to be for the benefit of the City. The City may bring an action to obtain specific performance of this Agreement and may recover its costs, including attorney fees, incurred in bringing such action.

#### **SECTION 5: Successors and Assigns:**

Property Owner hereby declares that the Property shall be held, transferred, encumbered, used, conveyed, leased and occupied subject to the covenants, conditions, restrictions, easements and rights set forth herein for the use and benefit of each of the Lots. All of the limitations, easements, uses, obligations, covenants, restrictions and conditions stated herein shall run with the Property and shall be binding upon Property Owner, its successors and assigns, any and all parties having or acquiring any right, title or interest in or to the Property or any part thereof or interest therein and shall inure to the benefit of and be binding upon each successor-in-interest thereto.

Upon transfer of the property, the Property Owner shall provide the new owner with the current Plan and a copy of this Agreement and shall, in any event, be released from all obligations under this Agreement as of the effective date of the transfer of the Property.

#### **SECTION 6. Indemnity:**

The Property Owner, on Property Owner's behalf and on behalf of all successors in interest pursuant to **Section 5** of this Agreement, shall indemnify, release, hold harmless, and defend the City and its authorized agents and employees from and against any and all demands, suits, liabilities, fines, losses, damages, accidents, casualties, occurrences or claims, including reasonable attorneys' fees, against the City which may in anyway arise or relate to the construction, operation, presence, existence or maintenance of the BMPs, or from any personal injury or property damage that may arise or relate from the City entering the property under **Section 4**. If a claim is asserted against the City, its authorized agents or employees, the City shall promptly notify the Property Owner and the Property Owner shall defend the claim and any resulting litigation at its sole cost and expense, with counsel approved by City. If any judgment is entered against the City, or its authorized agents or employees, the Property Owner must pay all costs and expenses to satisfy the judgment.

#### **SECTION 7. Severability:**

Invalidation of any one of the provisions of this Agreement shall in no way effect any other provisions, and all other provisions shall remain in full force and effect.

## **SECTION 8. Non-Discrimination:**

The Property Owner shall not discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this Agreement.

## **SECTION 9. Governing Law:**

City and Property Owner agree that the law governing this Agreement shall be that of the State of California and that Property Owner shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments.

## **SECTION 10. Recordation:**

Property Owner shall, within 10 days after the effective date of this Agreement, record or cause the Agreement to be recorded in the Office of the Recorder, Santa Clara County, California, at the expense of the Property Owner, which recording shall constitute notice of the obligations herein set forth and a covenant running with the land and shall be binding upon all of the successors and assigns in title to the Property. In the event Property Owner fails to timely record this Agreement, City shall be authorized but not required to record the Agreement.

## **SECTION 11. Books and Records:**

- A. The Property Owner shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements or in any way relating to the performance of this Agreement for a minimum period of three (3) years, or for any longer period required by law.
- B. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at no cost to City, at reasonable any time during regular business hours, upon at least 48 hours' prior written request by the City Attorney, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at the Property Owner's address indicated for receipt of notices in this Agreement.

## **SECTION 12. Notices:**

All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be personally served or mailed, postage prepaid and return receipt requested, addressed to the respective parties as follows:

To CITY:

City of Milpitas  
Attn: City Engineer  
455 East Calaveras Blvd.  
Milpitas, CA 95035

To PROPERTY OWNER:

Alps Group, Inc.  
Attn: Saahil Khandwala, President  
2725 Palomar Airport Rd  
Carlsbad, CA 92009

Notice shall be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the mail.

**SECTION 13. Venue:**

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

**SECTION 14. Interpretation, Prior Agreements:**

This Agreement, including all Exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this Agreement, the terms specified in the body of this Agreement shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may be modified only by a written amendment duly executed by the parties to this Agreement.

**[Signatures on Next Page]**



IN WITNESS WHEREOF, the Parties execute this Stormwater Management Facilities Operation and Maintenance Agreement as of the last date set forth below:

**PROPERTY OWNER:**

By: **ALPS GROUP, INC**

By: \_\_\_\_\_  
 Name: Saahil Khandwala  
 Title: President

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**CITY:**

**CITY OF MILPITAS, A MUNICIPAL CORPORATION:**

Recommended for approval:

Approved as to form:

By: \_\_\_\_\_  
 Steve Erickson, City Engineer

By: \_\_\_\_\_  
 Christopher J. Diaz, City Attorney

Approved:

Approved:

By: \_\_\_\_\_  
 Steven McHarris, Interim City Manager

By: \_\_\_\_\_  
 Walter Rossmann,  
 Risk Manager/Director of Finance

**Please note that this is a placeholder for the acknowledgement. So use the most current version of the acknowledgement**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared

\_\_\_\_\_ personally known to me;

\_\_\_\_\_ or \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

**CAPACITY CLAIMED BY SIGNER:**

Though statute does not require the notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

\_\_\_\_\_ Individual(s)  
\_\_\_\_\_ Corporate Officer(s) Titles \_\_\_\_\_ and \_\_\_\_\_  
\_\_\_\_\_ Partner(s) \_\_\_\_\_ Limited \_\_\_\_\_ General  
\_\_\_\_\_ Attorney-in-Fact  
\_\_\_\_\_ Trustee(s)  
\_\_\_\_\_ Guardian/Conservator  
\_\_\_\_\_ Other : \_\_\_\_\_

Signer is representing: \_\_\_\_\_

**ATTENTION NOTARY:** Although the information requested below is optional, it could prevent fraudulent attachment of this certificate to unauthorized document.

Title or type of document \_\_\_\_\_

Number of pages: \_\_\_\_\_ Date of document: \_\_\_\_\_

Signer(s) other than named above: \_\_\_\_\_

**THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED ABOVE**

**EXHIBIT A****Plat and Description for the site**

**EXHIBIT B**

**Operation and Maintenance Plan**

**EXHIBIT A**  
**Legal Description**

**For APN/Parcel ID(s): 22-057-001**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MILPITAS, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

**PARCEL ONE:**

Parcel A, according to the Parcel Map filed November 21, 2011, in Book 849 of Maps, Pages 7, 8, 9, 10 and 11, in the Office of the Recorder, Santa Clara County, California.

**PARCEL TWO:**

A non-exclusive easement for private ingress, egress purposes, appurtenant to Parcel One above, upon, over and across that portion of Parcel 1, according to the Parcel Map filed March 9, 2005, in Book 782 of Maps, at Pages 24, 25 and 26; being designated "32.00' P.I.E.E", as shown thereon.

**PARCEL THREE:**

An exclusive easement for four (4) parking spaces, appurtenant to Parcel One above, over and across that portion of Parcel 1, according to the Parcel Map filed March 9, 2005, in Book 782 of Maps, at Pages 24, 25 and 26; lying within that area designed "P.E." thereon.

**PARCEL FOUR:**

A non-exclusive easement for vehicular and pedestrian access, ingress and egress appurtenant to Parcel One above, over and across that portion of Parcel B, according to the Parcel Map filed November 21, 2011, in Map Book 849, Pages 7 - 11, lying within that area designated 25 foot Private Access Easement.

**PARCEL FIVE:**

A non-exclusive easement for storm water, drainage and for the installation and construction of a storm sewer line and related drainage facilities, including, without limitation, drainage pipes and headwalls (collectively, the "Storm Drainage Facilities") and for the ongoing use, maintenance, repair and replace of such Storm Drainage Facilities and such other drainage facilities that may be located from time to time within the Drainage Easement Area as an appurtenance to Parcel One, above, over and across that portion of Parcel B, according to the Parcel Map filed November 21, 2011, in Book 849, Pages 7-11, lying within that area designated as 10' Private Storm Drain Easement.

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## STORMWATER OPERATIONS & MAINTENANCE MANUAL

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INTERCONTINENTAL HOTELS GROUP

HOLIDAY INN & SUITES

1100 CADILLAC COURT, MILPITAS, CA



Prepared by:



Michael Chase, CPESC, CPSWQ, CESSWI  
MC Environmental Solutions, Inc.  
3000 Joshua Court  
Bakersfield, CA 93301  
661-487-6335



**BMP HANDBOOK PORTAL: INDUSTRIAL & COMMERCIAL**

## **STORMWATER OPERATIONS & MAINTENANCE MANUAL**

**HOLIDAY INN & SUITES**

**MILPITAS, CA**

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## Notary Acknowledgment

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Santa Clara

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that he/she/they executed the instrument as the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

## Owner's Certification

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### Approval and Certification of the Stormwater Operations & Maintenance Manual

Facility Name:

Holiday Inn & Suites, Milpitas, CA

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The undersigned, while it owns the subject property, is responsible for the implementation of the provisions of this plan and will ensure that this plan is amended as appropriate to reflect up-to-date conditions on the site and facility. A copy of this Stormwater Operations & Maintenance Manual (O&M Manual) will be maintained at the facility office or site.

This O&M Manual will be reviewed with the facility operator, facility supervisors, employees, maintenance and service contractors, or any other party having responsibility for implementing portions of this O&M Manual. At least one copy of this O&M Manual shall be available on the subject property in perpetuity. Once the undersigned transfers its interest in the property, its successors-in-interest shall bear the aforementioned responsibility to implement and amend the O&M Manual.

---

Signature of Facility Manager

---

Date

---

Facility Manager (Printed)

---

Telephone Number

Holiday Inn & Suites

1100 Cadillac Ct, Milpitas, CA

---

Company

---

Address

## Section 1                      Project Description

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### 1.1        INTRODUCTION

In order to protect the health, safety, and general welfare of the residents of Milpitas, as well as to protect, sustain, and enhance the surface and ground water resources of Milpitas, drainage and stormwater management practices as provided in this Post-Construction Stormwater Operation & Maintenance Manual(O&M Manual) shall be utilized as directed herein to achieve the following objectives:

- Protect water quality by removing and/or treating pollutants prior to discharge to ground and surface waters, and to protect, restore, and maintain the chemical, physical, and biological quality of ground and surface waters.
- Protect natural infiltration and ground water recharge rates in order to sustain ground water supplies and stream base flows.
- Maintain runoff characteristics of the site after completion of development that are consistent with the carrying capacity of the receiving streams and storm sewer systems.
- Protect channels and geomorphology conditions of the receiving streams; protect their flood carrying capacity and aquatic habitats and to reduce in-stream erosion and sedimentation.
- Reduce flooding impacts and prevent a significant increase in surface runoff rates and volumes predevelopment to post-development.
- Protect adjacent lands from adverse impacts of direct stormwater discharges.
- Ensure permanent stormwater management systems are functioning as designed by providing effective long-term maintenance.
- Address applicable requirements of the Municipal Separate Storm Sewer System (MS4) National Pollution Discharge Elimination System (NPDES) Phase II Stormwater Regulations.
- Meet regulatory water quality requirements under state and local law.

### 1.2        O&M MANUAL AVAILABILITY AND IMPLEMENTATION

The manager shall make the O&M Manual available at the facility during working hours and shall be made available upon request by a State or Municipal inspector.

The O&M Manual shall be implemented concurrently with the opening of the facility.

### 1.3        O&M MANUAL AMENDMENTS

The O&M Manual should be revised when BMPs do not meet the objectives of reducing or eliminating pollutants in stormwater discharges as determined during site inspections, a visual observation subsequent to a qualifying rain event, during an annual third party site audit, or when a change in management occurs.

### 1.4        RETENTION OF RECORDS

Paper or electronic records of this O&M Manual shall be retained as long as the facility is in operation.

## Section 2                      Project Information

---

### 2.1      PROJECT AND SITE DESCRIPTION

#### 2.1.1    Site Description

Holiday Inn & Suites, Milpitas, CA (HISM) is part of the InterContinental Hotels Group. HISM is a hotel located southeast of the Interstate 880, Dixon Landing Road interchange in Milpitas, CA. The physical address for the building is 1100 Cadillac Court, Milpitas, CA 95035. The site is 3.29 acres and will consist of approximately 0.41 acres for the main building, and the remaining 2.88 acres is 115 paved parking spots, landscaping, swimming pool, and other associated infrastructure and site improvements. The main building is a four-story, 126-room hotel. Basic wet and dry utilities such as gas, power, telephone, sewer, and water have been provided for this site. The site improvements include, but are not limited to; construction of building, parking areas, trash enclosures, area lighting, landscaping and irrigation.

The SIC Code number associated with HISM is 7011 for Hotels and Motels. This is a new hotel.

The project site is located at Latitude 37.44494, Longitude -121.91779 and is identified on the Site Map in Appendix A.

#### 2.1.2    Pre-Construction Conditions

Initial condition of the project site was undeveloped except for a paved inlet containing 14 parking spaces. An office building is located to the west of the property and a paved parking lot directly to the east. The property is bordered to the north by the Highway and to the south by additional office buildings. This segment of Highway 1 is a two-lane road that begins a stretch in which the highway traverses a rural area. Surrounding areas include industrial and general zoned businesses as well as well as single-family urban residences. The project site was previously undeveloped. There are no known historic sources of contamination associated with this site.

#### 2.1.3    Pre-Construction Drainage

The project site was relatively flat with a 0% to 2% slope to the west. Runoff from the project site was sheet flow to the west and into a Milpitas MS4. Stormwater discharges from the site are not considered direct discharges, as defined by the State Water Board.

#### 2.1.4    Geology and Groundwater

The site is underlain by Urbanland-Campbell complex with an identified K value of 0.24. Native soil underlying the project site “encountered within a depth of 60 feet on the project site predominately consist of loose/firm to dense/stiff gravelly silty sand, silty sand, silty sand/ sandy silt, silty clay and sandy clay. Several 10 to 20-foot-thick lenses/layers of silty sand were encountered below depths of 23 to 43 feet in the borings.

#### 2.1.5    Developed Condition

Post construction surface drainage will be directed to vegetated swales in the landscaped areas before discharging to the City of Milpitas MS4 storm drainage system.

## **2.2 REQUIRED SITE MAP INFORMATION**

The construction project's Site Map showing the facility boundaries, stormwater treatment locations, and details regarding the stormwater BMPs is located in Appendix A.

## Section 3 Post Construction Best Management Practice

### 3.1 PURPOSE

This O&M Manual includes BMPs that reduce stormwater run-off volumes and/or reduce pollutants in stormwater discharges after all construction phases have been completed at the site (Post-Construction BMPs). Post-construction BMPs consist of permanent features designed to minimize pollutant discharges, including sediment, from the site after construction has been completed.

Post-Construction BMPs include treatment of stormwater runoff using infiltration, detention/retention, seepage pits, etc., use of efficient irrigation systems, ensuring interior drains are not connected to a storm sewer system, proper material storage practices, appropriate spill response procedures, good housekeeping practices, and appropriately designed and constructed energy dissipation devices. These must be consistent with all state and local post-construction stormwater management requirements, policies, and guidelines.

Stormwater management systems have been designed and constructed to prevent the pollution of ground water resources by stormwater, promote safety, minimize health hazards, preserve natural features and provide infiltration and ground water recharge where appropriate.

### 3.2 SOURCE CONTROL

Source controls are practices that prevent or reduce pollutants, at the source, from entering stormwater. Most stormwater experts consider source control to be the most cost-effective practice to reduce pollution.

The following source control BMP selection table indicates the BMPs that shall be implemented to control pollutants from entering stormwater. Fact Sheets for source control BMPs are provided in Appendix B.

CASQA Fact Sheet	BMP Name	BMP Used		If not used, state reason
		YES	NO	
	Education for Property Owner	X		
	Activity Restriction	X		
	Hazardous Materials Disclosure Compliance	X		
	Uniform Fire Code Implementation	X		
	Employee Training	X		
	BMP Maintenance	X		
SC-10	Non-Stormwater Discharges	X		
SC-11	Spill Prevention, Control and Cleanup	X		
SC-20	Vehicle and Equipment Fueling		X	No Vehicles or Equipment
SC-21	Vehicle and Equipment Cleaning		X	No Vehicles or Equipment
SC-22	Vehicle and Equipment Repair		X	No Vehicles or Equipment
SC-30	Outdoor Loading/Unloading		X	No Outdoor Loading/Unloading
SC-31	Outdoor Liquid Container Storage		X	No Liquid Stored

SC-32	Outdoor Equipment Operations		X	No Equipment
SC-33	Outdoor Storage of Raw Materials		X	No Outdoor Storage
SC-34	Waste Handling and Disposal	X		
SC-35	Safer Alternative Products	X		
SC-40	Contaminated or Erodible Areas		X	All areas stabilized or Vegetated
SC-41	Building and Grounds Maintenance	X		
SC-42	Building Repair and Construction		X	New Building, No Repair or Construction
SC-43	Parking/Storage Area Maintenance	X		
SC-44	Drainage System Maintenance	X		

These source control BMPs shall be implemented in conformance with the following guidelines and as outlined in the BMP Factsheets provided in Appendix B. If there is a conflict between documents, the Site Map will prevail over narrative in the body of the O&M Manual or guidance in the BMP Fact Sheets. Site specific details in the Site Map prevail over standard details included in the Site Map. The narrative in the body of the O&M Manual prevails over guidance in the BMP Fact Sheets.

### Education for Property Owner/Manager

Property Owner/Manager is required to attend a Pollution Awareness and Spill Prevention training program. The program is designed to increase awareness and knowledge of potential pollutants, how to prevent the release of pollutants, and how to correctly deal with spills. Property Owner/Manager will be retrained annually to maintain awareness. Complete training logs shown in Appendix C.

### Activity Restrictions

Employees will be trained to not blow or sweep debris from hotel, parking lot, or landscaping into storm drains. No hosing down of walkways and parking lot will be permitted. Clean up of debris will be performed by sweeping, vacuum, or other approved methods. No car washing will be permitted at this site. No automotive or construction equipment repairs will be allowed on site. They will also be trained to close the lids on dumpsters after use. The person on site responsible to ensure that these activities are being adhered to will be:

Name: \_\_\_\_\_ Position: Manager

### Hazardous Material Disclosure Compliance

Hazardous materials such as herbicides, pesticides, fertilizers, paints, solvents and oils will be properly stored in enclosed and covered containment. If the quantities stored exceed the minimum required for disclosure, a "Chemical Inventory and Business Emergency Plan" must be prepared and filed with the local fire department and updated annually. The person on site

responsible to ensure that the “Chemical Inventory and Business Emergency Plan” is prepared and submitted to the local fire department will be:

Name: \_\_\_\_\_ Position: Manager

### **Uniform Fire Code Implementation**

Chemical Inventory and Classification Package, Hazardous Materials Disclosure, High Pile Storage information, and Emergency Response shall be completed for all hazardous materials. A copy of this information shall be forwarded to the local fire department. This will need to be performed on an annual basis with inventories updated as necessary. Because of the complexity of this process, this process should be contracted for completion. A list of contractors can be found at [www.ocfa.org](http://www.ocfa.org).

### **Employee Training**

Employees will receive training upon hire and refresher training annually thereafter. Initial training will be by the manager or supervisor. Training will be directed toward awareness of environmental stewardship and best management practices particularly non-structural BMP such as housekeeping and spill response. Complete and maintain all training logs shown in Appendix C.

### **BMP Maintenance**

BMP maintenance, implementation schedules, and responsible parties are included with each specific structural and non-structural BMP narrative.

### **Non-Stormwater Discharges (SC-10)**

Non-Storm Water discharges are prohibited unless authorization has been granted by the County of Milpitas prior to the non-Storm Water discharge. Employees will be trained as to what constitutes a non-Storm Water discharge and prevent them from occurring.

### **Spill Prevention Control and Clean-up (SC-11)**

Each employee is required to attend a pollution awareness and spill prevention program. The program is designed to increase awareness and knowledge of potential pollutants, how to prevent the release of pollutants, and how to correctly deal with spills. Employees will be retrained annually to maintain awareness.

### **Waste Handling and Disposal (SC-34)**

Employees will be trained to properly handle and dispose of waste materials, and to utilize recycling when appropriate. Employees will be encouraged to submit ideas for waste reduction and recycling. The program is designed to increase awareness and knowledge of handling and



disposing of waste materials, and alternative disposal methods such as recycling. Employees will be retrained annually to maintain awareness.

#### **Safer Alternative Products (SC-35)**

Develop a comprehensive program based on: “Precautionary Principle” approach to evaluate whether a given product is safe, whether or not it is really necessary, and whether or not safer alternative products would perform just as well; Environmentally Preferable Purchasing Program to minimize the purchase of products containing hazardous ingredients; Energy Efficiency Program including no-cost or low-cost energy conservation and efficiency practices; and an Integrated Pest Management or Less-Toxic Pesticide Program.

Name: \_\_\_\_\_ Position: Manager

#### **Building and Grounds Maintenance (SC-41)**

Employees and maintenance contractors will be trained of pollutant issues associated with stormwater runoff from buildings and grounds maintenance activities. These activities can contribute a number of pollutants such as hydrocarbons, fertilizers and pesticides, suspended solids, heavy metals, and pH issues that can enter receiving waters through stormwater runoff or non-stormwater discharges. This BMP is designed to prevent or reduce the discharge of pollutants from maintenance activities.

Name: \_\_\_\_\_ Position: Manager

#### **Common Area Litter Control**

Trash receptacles will be placed at hotel entrance and exit. These will be maintained every day with the trash removed from the receptacles and placed in trash dumpsters. Litter found on parking lots or on outside common areas will be removed by sweepers or by employees. All litter will be disposed of properly and dumpster lids closed to contain trash. Smoking areas will be kept clean with cigarette butts disposed of properly in contained receptacles.

#### **Parking/Storage Area Maintenance (SC-43)**

Parking lots and storage areas can contribute a number of substances, such as trash, suspended solids, hydrocarbons, oil and grease, and heavy metals that can enter receiving waters through Storm Water runoff or non-Storm Water discharges. This BMP is designed to prevent or reduce the discharge of pollutants from parking lots and storage areas.

#### **Street Sweeping Private Street and Parking Lots**

Parking lot sweeping will be performed on a weekly basis to all accessible areas within the site. The debris from the sweeping operations will be disposed of properly at waste disposal facility. Prior to

October 1<sup>st</sup> of each year, special attention should be made to areas where debris commonly accumulates.

### Drainage System Maintenance (SC-44)

Employees and maintenance contractors will be trained of pollutant issues associated with stormwater runoff and non-stormwater discharges from all activities that will collect in, and possibly clog, the drainage system. These activities can contribute a number of pollutants such as hydrocarbons, fertilizers and pesticides, suspended solids, heavy metals, large floatable trash, and pH issues that can enter receiving waters through stormwater runoff or non-stormwater discharges. This BMP is designed to prevent or reduce the discharge of pollutants by properly maintaining catch basins, stormwater inlets, and other stormwater conveyance structures on a regular basis.

## 3.2 BUSINESS CATEGORY CONTROL

Business Category controls are specific to common business types that have higher potential to pollute stormwater based on the products they use and their activities.

The following Business Category control BMP selection table indicates the BMPs that shall be implemented based on business activities associated with the facility. Fact Sheets for business category control BMPs are provided in Appendix B.

CASQA Fact Sheet	BMP Name	BMP used		If not used, state reason
		YES	NO	
BG-10	<b>Animal Care and Handling Facilities</b>		X	No Animal Care
	<b>Automotive Service Facilities</b>			
BG-20	Body Repair		X	No Automotive Service
BG-21	Maintenance		X	No Automotive Service
BG-22	Service Stations		X	No Automotive Service
BG-23	Auto Recycling		X	No Automotive Service
BG-30	<b>Food Service Facilities</b>		X	No Food Service
BG-40	<b>Landscape Maintenance</b>	X		
BG-50	<b>Marinas, Boat/Shipyards, and Ports</b>		X	No Marinas, Boats, Ports
	<b>Mobile Cleaning</b>			
BG-60	Carpets & Upholstery		X	No Mobile Cleaning
BG-61	Food Service-related		X	No Mobile Cleaning
BG-62	Surface Cleaning		X	No Mobile Cleaning
BG-63	Swimming Pools and Spas		X	No Mobile Cleaning
BG-64	Water Softeners		X	No Mobile Cleaning
BG-65	Vehicle and Equipment Washing		X	No Mobile Cleaning

These business category control BMPs shall be implemented in conformance with the following guidelines and in accordance with the BMP Fact Sheets provided in Appendix B. If there is a conflict

between documents, the Site Map will prevail over narrative in the body of the O&M Manual or guidance in the BMP Fact Sheets. Site specific details in the Site Map prevail over standard details included in the Site Map. The narrative in the body of the O&M Manual prevails over guidance in the BMP Fact Sheets.

### **Landscape Maintenance (BG-40)**

The landscape irrigation system will be inspected every 2 weeks for broken sprinklers, excessive irrigation that causes runoff, or excessive overspray. If these issues are prevalent between inspections, these problems will be corrected immediately when identified. Irrigation system shall have a rain delay feature to prevent irrigation during rain events. Fertilizer and herbicide applications will not be made when there is a problem with broken sprinklers, or excessive irrigation, or prior to a forecast rain event. Lawn clippings and other vegetative clipping will be properly disposed of and the use of blowers will be prohibited. The person on site responsible to ensure that these activities are being adhered to will be:

Name: \_\_\_\_\_ Position: Manager

### **3.3 TREATMENT & MANUFACTURED CONTROL**

Treatment and Manufactured Control BMPs are physical devices, whether manufactured (patented and purchased through a vendor) or built into landscaping design to filter pollutants from stormwater runoff. The devices require inspection and maintenance to verify that each BMP performs efficiently throughout its design life.

The following Treatment control BMP selection table indicates the BMPs that shall be implemented to control pollutants by physical treatment of the stormwater. Fact Sheets for treatment control BMPs are provided in Appendix B.

CASQA Fact Sheet	BMP Name	BMP used		If not used, state reason
		YES	NO	
TC-10	Infiltration Trench		X	N/A
TC-11	Infiltration Basin		X	N/A
TC-12	Harvest and Reuse		X	N/A
TC-20	Wet Pond		X	N/A
TC-21	Constructed Wetland		X	N/A
TC-22	Extended Detention Basin		X	N/A
TC-30	Vegetated Swale	X		
TC-31	Vegetated Buffer Strip		X	N/A

TC-32	Bioretention		X	N/A
TC-40	Media Filter		X	N/A
TC-50	Water Quality Inlet		X	N/A
TC-60	Multiple Systems		X	N/A
MP-20	Biotreatment		X	N/A
MP-40	Media Filter		X	N/A
MP-50	Wet Vault		X	N/A
MP-51	Gravity Separator		X	N/A
MP-52	Drain Inlet Insert		X	N/A

Treatment Control BMPs shall be implemented in conformance with the following guidelines and in accordance with the BMP Fact Sheets provided in Appendix B. If there is a conflict between documents, the Site Map will prevail over narrative in the body of the O&M Manual or guidance in the BMP Fact Sheets. Site specific details in the Site Map prevail over standard details included in the Site Map. The narrative in the body of the O&M Manual prevails over guidance in the BMP Fact Sheets.

### **Vegetated Swale (TC-30)**

A Vegetated Swale is a media and vegetation filled trench that receives stormwater runoff. Also known as bioswales, these systems; collect and slowly convey runoff flow, as well as reduce the discharge of stormwater to receiving waters and lessen the pollutants. Bioswales must be inspected, tested and maintained on a regular basis to preserve the efficiency at which it operates. Clogging can, and will occur, at a faster rate if other control BMPs are not in place. A thick vegetative cover is needed for the swale to function properly. With testing, proper maintenance, and visual observations, life and performance of these systems is enhanced. Also, be sure standing water does not accumulate for longer than 96 hours. Standing water is a breeding ground for vectors and is also an indicator of clogging problems with the bioswale. The person on site responsible to ensure that these activities are being adhered to will be:

Name: \_\_\_\_\_ Position: Manager

## Section 4 BMP Inspection and Maintenance

### 4.1 BMP INSPECTION AND MAINTENANCE

The MS4 Permit requires routine inspections of BMPs, along with inspections before, during, and after rain events. BMPs shall be maintained regularly to ensure proper and effective functionality. Specific details for maintenance, inspection, and repair of BMPs can be found in the BMP Factsheets in Appendix B.

<b>BMP Name</b>	<b>Implementation, Maintenance, and Inspection Frequency and Schedule</b>	<b>Person or Entity with Operation &amp; Maintenance Responsibility</b>
<b>Source Control BMPs</b>		
<b>Education for Property Owner/Manager</b>	Property Owner/Manager will be trained at hire and annually thereafter.	Manager
<b>Activity Restriction</b>	Employees will be trained at hire and annually thereafter.	Manager
<b>Hazardous Materials Disclosure Compliance</b>	Appropriate documentation will be compiled and submitted to local fire department and updated annually.	Manager
<b>Uniform Fire Code Implementation</b>	Appropriate documentation will be compiled and submitted to local fire department prior to hotel opening and updated annually.	Manager
<b>Employee Training</b>	Employees are required to attend a pollution awareness and spill prevention program. The program is designed to increase awareness and knowledge of potential pollutants, how to prevent the release of pollutants, and how to correctly deal with spills. Employees will be retrained annually to maintain awareness.	Manager
<b>BMP Maintenance</b>	The manager will implement a schedule for BMP maintenance and assign duties as necessary.	Manager
<b>SC-10. Non-Storm Water Discharges</b>	Employees will be trained on problems associated with non-Storm Water discharges during the pollution awareness and spill prevention program.	Manager

	Employees will be retrained annually to maintain awareness.	
<b>SC-11. Spill Contingency Plan</b>	Employees are required to attend a pollution awareness and spill prevention program. The program is designed to increase awareness and knowledge of potential pollutants, how to prevent the release of pollutants, and how to correctly deal with spills. Employees will be retrained annually to maintain awareness.	Manager
<b>SC-34. Waste Handling and Disposal</b>	Employees will be encouraged to recycle those materials which can be recycled. Management will provide receptacles for recycling.	Manager
<b>SC-35. Safer Alternative Products</b>	Employees will be encouraged to explore the use of materials which are safer to the environment. Management will encourage employees to practice energy savings in everyday duties.	Manager
<b>SC-41. Building and Grounds Maintenance</b>	Employees and contractors are required to attend a pollution awareness and spill prevention program. The program is designed to increase awareness and knowledge of potential pollutants, how to prevent the release of pollutants, and how to correctly deal with spills. Employees will be retrained annually to maintain awareness.	Manager
<b>Common Area Litter Control</b>	Trash receptacles will be placed at the entrances and exits prior to hotel opening. These receptacles will be maintained daily and will not be allowed to overflow. Trash from receptacles will be disposed of properly into trash dumpsters.	Manager
<b>Design and Construct Trash and Waste Storage Areas to Reduce Pollutant Introduction</b>	The trash and waste storage area will be enclosed with walls and the access side with gates. Damage to the trash and waste storage area will be corrected immediately upon notification of damages.	Manager
<b>SC-43. Parking/Storage Area Maintenance</b>	Employees will be trained on problems associated with parking lot and storage area maintenance during the pollution awareness and spill prevention program. Employees will be retrained annually to maintain awareness.	Manager

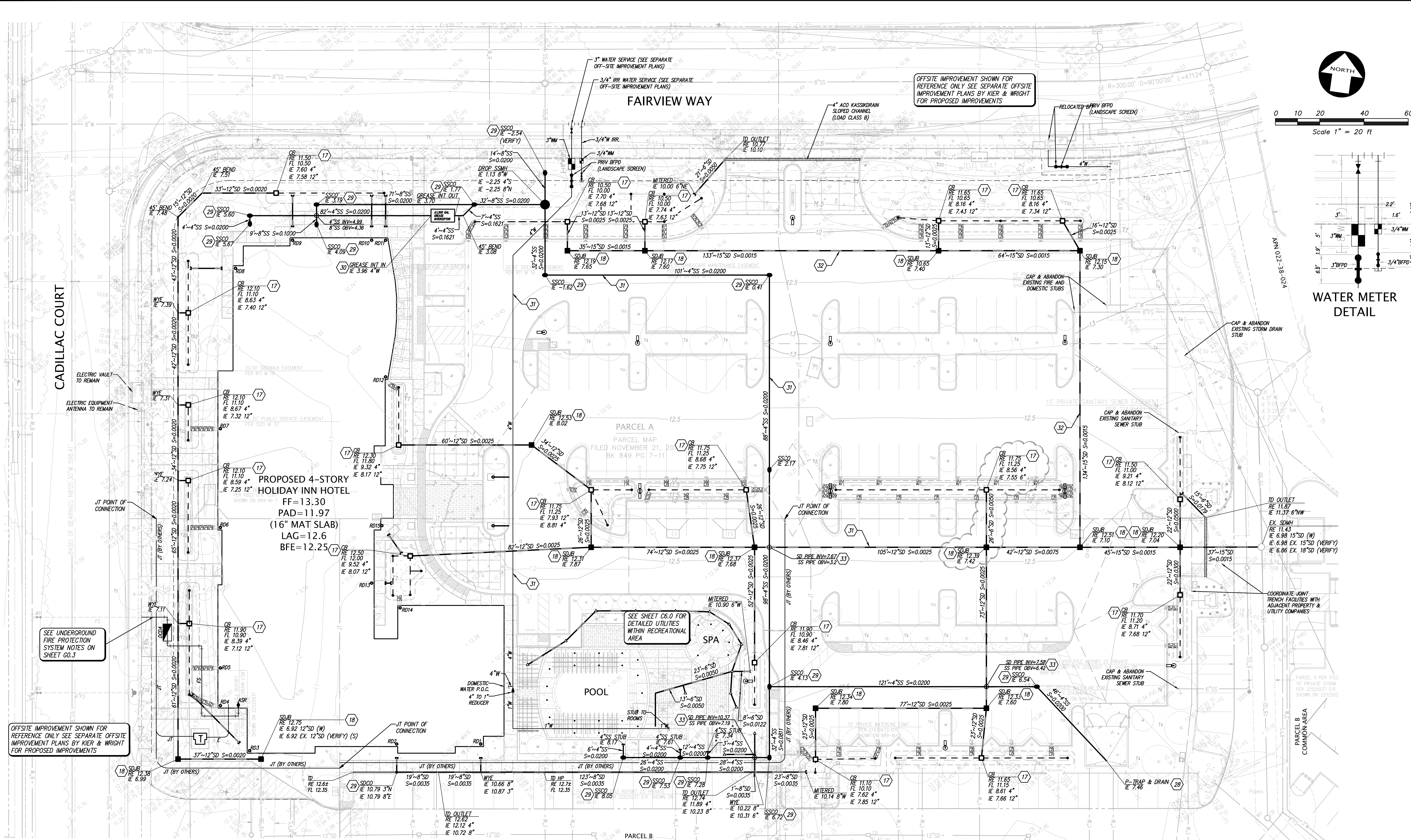
<b>Street Sweeping Private Streets and Parking Lots</b>	Sweeping will be performed weekly to all accessible areas within the site.	Manager
<b>SC-44. Drainage System Maintenance</b>	Storm drain inlets will be inspected annually in the late summer or early fall prior to the rainy season starting October 1 <sup>st</sup> of each year. Damages, re-stenciling, or maintenance do to fill exceeding 40% of capacity; will be addressed before rainy season.	Store Manager
<b>BG-40. Landscape Maintenance</b>	Irrigation system will be inspected at initial startup for damage or overspray. Systems will be adjusted to optimize irrigation without creating runoff. Systems will be inspected every 2 weeks thereafter to ensure systems are operating correctly. Any problems will be repair immediately upon observation.	Manager
<b>TC-30. Vegetated Swale</b>	<p>The swale will be installed according to engineering specifications for the soil, plants and non-vegetative cover. Area should be inspected weekly for problems such as dead plants, irrigation needs, or ponding. Bottoms should be scarified or raked annually. Sediment deposits should be removed from pretreatment devices at least annually by flushing or jetting the system.</p> <p>In general, if approximately 36 hours after a rain event, water is being retained, the system is not functioning properly. If this occurs, notify the Environmental Manager. Removal and reconstruction of the infiltration device may be necessary.</p>	Landscape Contractor

## *Appendix A: Site Map*

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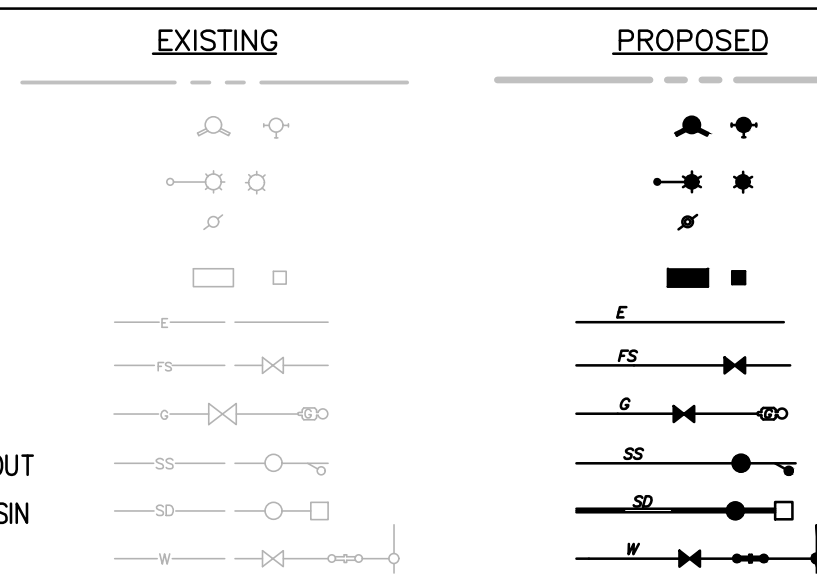


## KEY NOTES

- 17 DROP INLET. SEE 1/C11.2
- 18 JUNCTION BOX. SEE 1/C11.2
- 20 MITERED DRAIN OUTFALL. SEE 3/11.2
- 28 P-TRAP. SEE 3/C11.3
- 29 CLEANOUT TO GRADE. SEE 4/C11.3
- 30 GREASE INTERCEPTOR. SEE 5/C11.3
- 31 PLASTIC PIPE BEDDING. SEE TRENCH CONSTRUCTION CITY STD DWG 220/C11.3
- 32 NON-PLASTIC PIPE BEDDING. SEE TRENCH CONSTRUCTION CITY STD DWG 220/C11.3
- 33 UTILITY CROSSING. SEE 6/C11.3

## LEGEND

PROPERTY LINE  
FIRE HYDRANT  
ELECTROLIER  
POWER POLE/ JOINT POLE  
UTILITY BOX  
ELECTRICAL LINE  
FIRE SERVICE LINE & VALVE  
GAS LINE- VALVE & METER  
SANITARY SEWER LINE-MANHOLE & CLEANOUT  
STORM DRAIN LINE-MANHOLE & CATCH BASIN  
WATER LINE- VALVE, BFP & PIV



## ABBREVIATIONS

AD	AREA DRAIN	FH	FIRE HYDRANT	SD	STORM DRAIN
ASR	AUTO SPRINKLER RISER	FL	FLOW LINE	SDCO	STORM DRAIN CLEAN OUT
BFP	BASE FLOOD PREVENTION	IE	INVERT ELEVATION	SDJB	STORM DRAIN JUNCTION BOX
BSL	BACK FLOW PREVENTION	IRR	IRRIGATION	SDMH	STORM DRAIN MANHOLE
CB	CATCH BASIN	JT	JOINT TRENCH	SL	STREET LIGHT
CTVB	CABLE TV BOX	MIN	MINIMUM	SLB	STREET LIGHT BOX
DCDA	DOUBLE CHECK DETECTOR ASSEMBLY	N	NORTH	SS	SANITARY SEWER
DOM	DOMESTIC	P.I.E.	PRIVATE INGRESS EGRESS EASEMENT	SSCO	SANITARY SEWER CLEAN OUT
EB	ELECTRIC BOX	P.C&E	PACIFIC GAS & ELECTRIC	SSMH	SANITARY SEWER MANHOLE
ELEC	ELECTRICAL LINE	PRV	PRIVATE	TB	TELEPHONE BOX
EV	ELECTRICAL VAULT	RE	RIM ELEVATION	TD	TRENCH DRAIN
EX	EXISTING	S	SOUTH	TW	WEST
FF	FINISH FLOOR			WM	WATER METER

NOTE: SEE SHEET G0.3 FOR UTILITY & FIRE PROTECTION NOTES  
SEE SHEET G0.1 FOR ABBREVIATIONS



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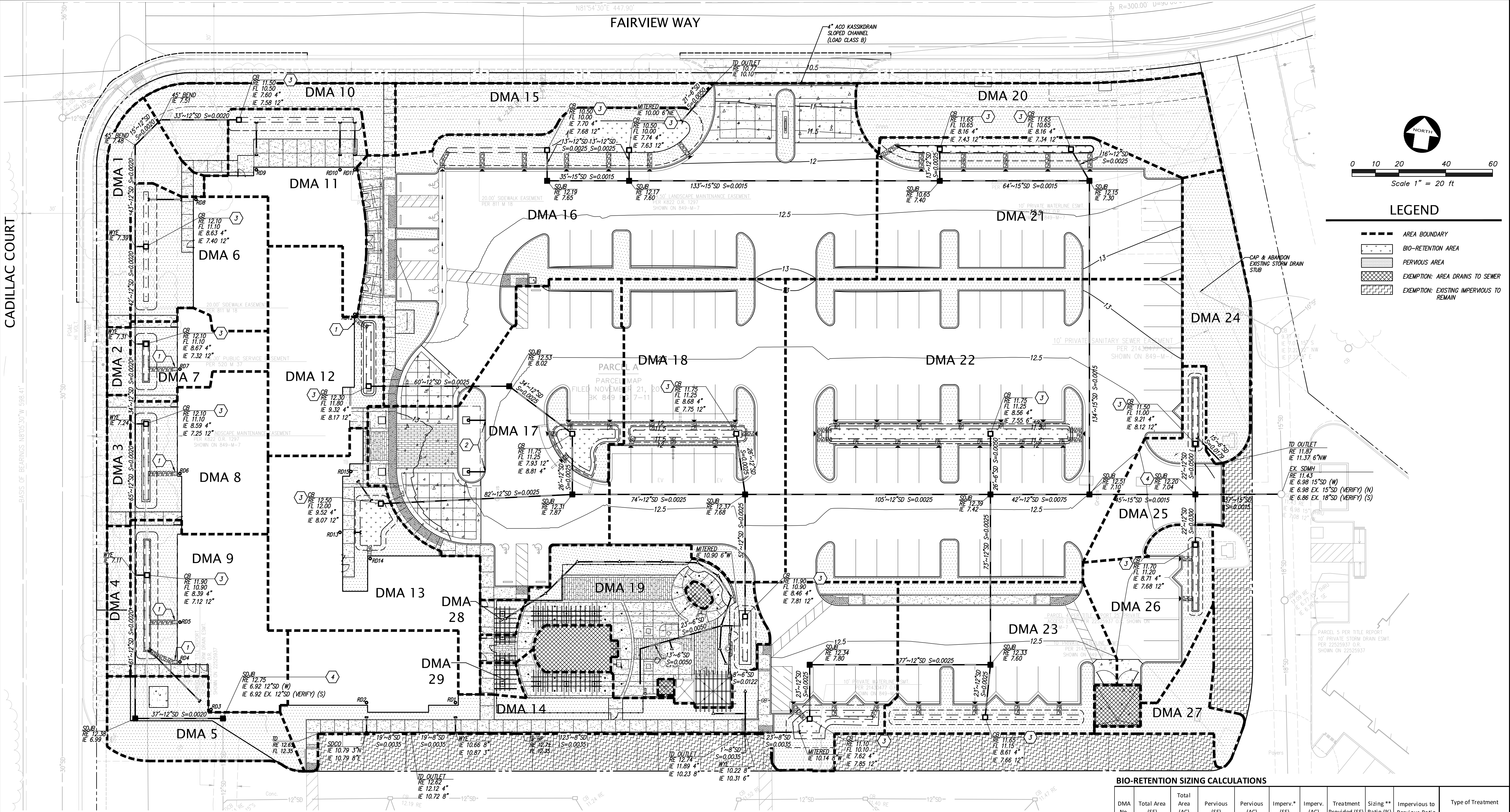


Project GRADING AND DRAINAGE PLAN S.F.  
**HOLIDAY INN MILPITAS**  
1100 Cadillac Court, Milpitas CA 95035  
Owner: Alps Group, Inc.

Issue 04/27/15 City Submittal  
Revisions

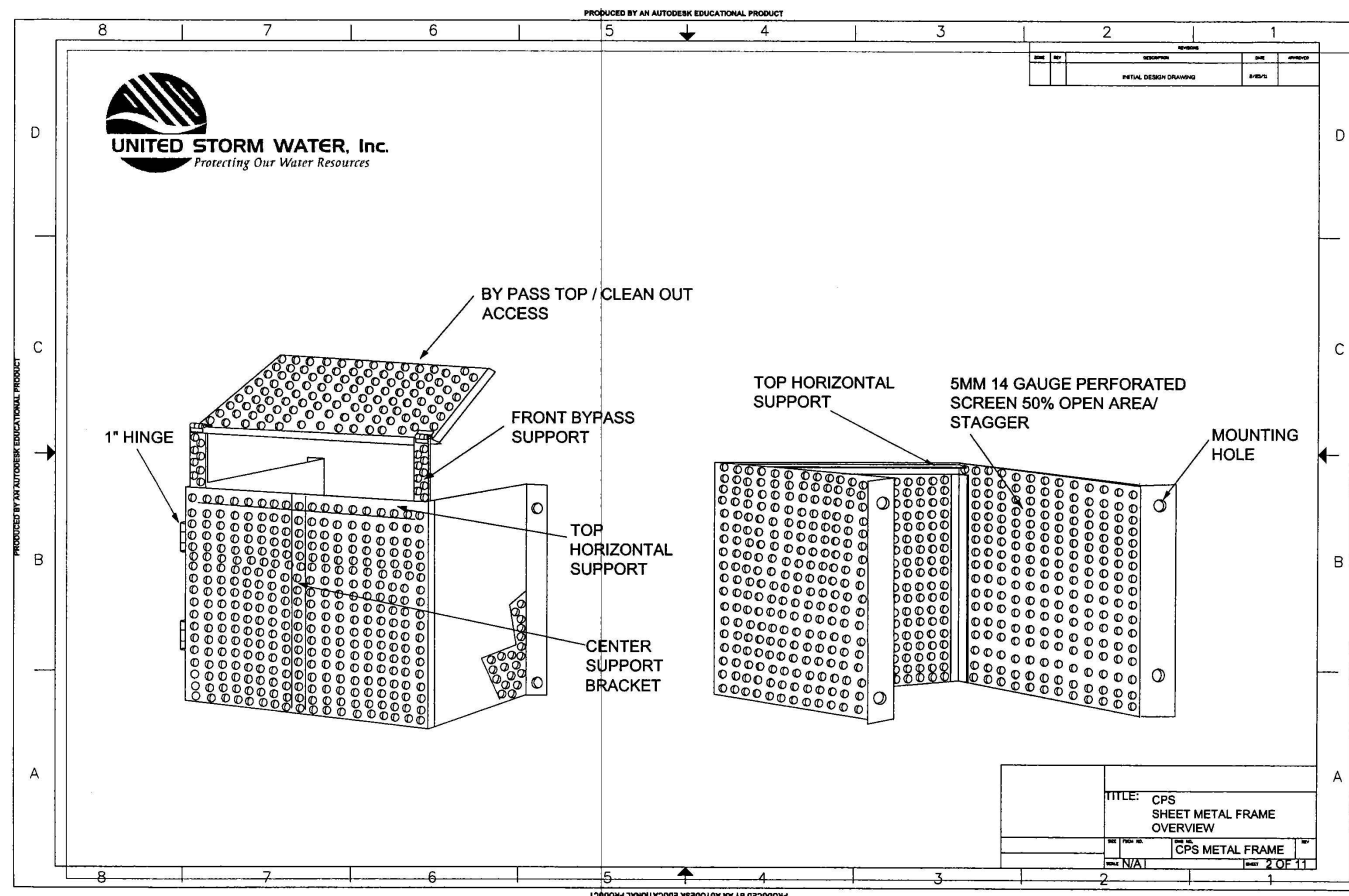
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**UTILITY PLAN**  
Date Last Edited  
**March 8, 2017**  
Sheet Number  
**C7.0**





### KEY NOTES

- DISCONNECTED DOWNSPOUT RAIN WATER LEADER AT SLAB. SEE 5/C11.2 SPLASH BLOCK. SEE 6/C11.2 SPILLWAY. SEE 7/C11.2
- CURB-O-LET DRAIN. SEE 2/C11.3
- DROP INLET. SEE 1/C11.2 NO DUMPING DRAINS TO BAY. SEE 9/C11.2 BIORETENTION AREA. SEE 8/C11.2
- INSTALL TRASH CAPTURE DEVICE SEE DETAIL 1/C9.0



TRASH CAPTURE DEVICE

NOT TO SCALE

1

### BIO-RETENTION SIZING CALCULATIONS

DMA No.	Total Area (SF)	Total Area (AC)	Pervious (SF)	Pervious (AC)	Imperv.* (SF)	Imperv. (AC)	Treatment Provided (SF)	Sizing ** Ratio (%)	Impervious to Pervious Ratio	Type of Treatment
1	1,572	0.04	1,443	0.03	129	0.00	-	-	0.24 : 1	Self-Retaining
2	291	0.01	234	0.01	57	0.00	-	-	0.24 : 1	Self-Retaining
3	556	0.01	457	0.01	99	0.00	-	-	0.22 : 1	Self-Retaining
4	641	0.01	592	0.01	50	0.00	-	-	0.08 : 1	Self-Retaining
5	2,286	0.05	2,171	0.05	115	0.00	-	-	0.05 : 1	Self-Retaining
6	3,245	0.07	890	0.02	2,262	0.05	94	4.14%	n/a	Bio-Retention Planter
7	1,578	0.04	401	0.01	1,124	0.03	53	4.75%	n/a	Bio-Retention Planter
8	3,594	0.08	629	0.01	2,843	0.07	122	4.31%	n/a	Bio-Retention Planter
9	4,370	0.10	767	0.02	3,459	0.08	144	4.16%	n/a	Bio-Retention Planter
10	2,291	0.05	2,035	0.05	256	0.01	-	-	0.13 : 1	Self-Retaining
11	3,174	0.07	666	0.02	2,408	0.06	100	4.14%	n/a	Bio-Retention Planter
12	3,658	0.08	367	0.01	3,155	0.07	136	4.31%	n/a	Bio-Retention Planter
13	5,539	0.13	462	0.01	4,870	0.11	207	4.24%	n/a	Bio-Retention Planter
14	10,076	0.23	2,550	0.06	7,231	0.17	295	4.08%	n/a	Bio-Retention Planter
15	2,518	0.06	2,518	0.06	0	0.00	-	-	n/a	Self-Treating
16	18,021	0.41	2,476	0.06	14,907	0.34	638	4.28%	n/a	Bio-Retention Planter
17	9,900	0.23	1,256	0.03	8,295	0.19	349	4.21%	n/a	Bio-Retention Planter
18	9,074	0.21	1,483	0.03	7,297	0.17	294	4.03%	n/a	Bio-Retention Planter
19	5,097	0.12	1,369	0.03	2,825	0.06	115	4.07%	n/a	Bio-Retention Planter
20	4,176	0.10	4,105	0.09	71	0.00	-	-	0.02 : 1	Self-Retaining
21	7,549	0.17	1,288	0.03	5,994	0.14	267	4.46%	n/a	Bio-Retention Planter
22	20,021	0.46	2,359	0.05	16,971	0.39	691	4.07%	n/a	Bio-Retention Planter
23	5,671	0.13	1,581	0.04	3,932	0.09	158	4.01%	n/a	Bio-Retention Planter
24	2,796	0.06	2,729	0.06	68	0.00	-	-	0.02 : 1	Self-Retaining
25	2,194	0.05	390	0.01	1,714	0.04	90	5.24%	n/a	Bio-Retention Planter
26	2,733	0.06	827	0.02	1,907	0.04	90	4.71%	n/a	Bio-Retention Planter
27	1,171	0.03	1,096	0.03	75	0.00	-	-	0.07 : 1	Self-Retaining
28	254	0.01	186	0.00	67	0.00	-	-	n/a	Self-Retaining
29	237	0.01	170	0.00	67	0.00	-	-	n/a	Self-Retaining

\* Impervious is equal to Total Area - Pervious - Treatment Provided - Exemptions  
\*\* Sizing Ratio is equal to Treatment Provided / Impervious Area

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Project GRADING AND DRAINAGE PLAN S FOR:  
**HOLIDAY INN MILPITAS**  
1100 Cadillac Court, Milpitas CA 95035  
Owner: Alps Group, Inc.

Issue  
04/27/15 City Submittal

Revisions

Sheet Title  
**STORMWATER QUALITY CONTROL PLAN**

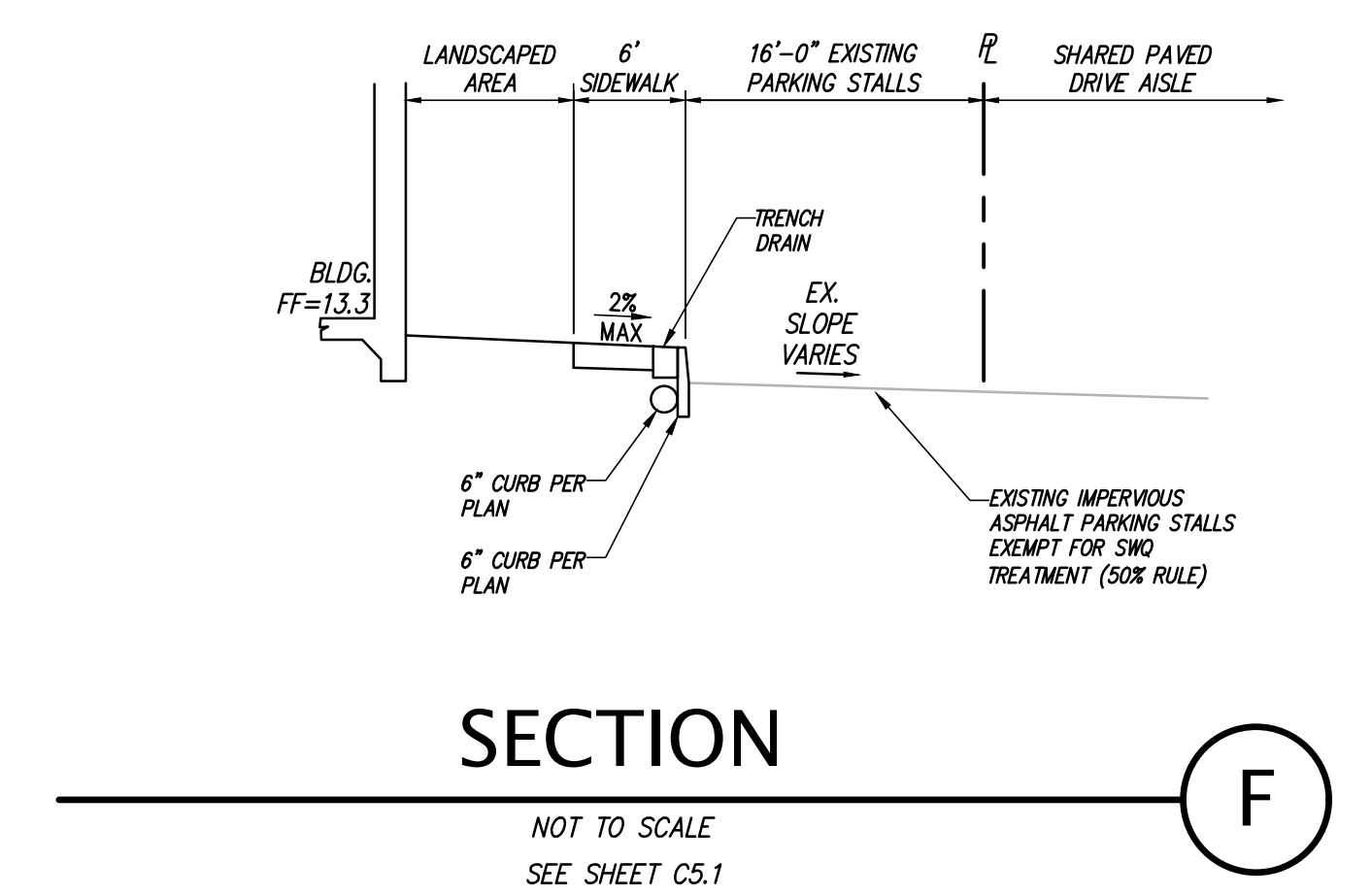
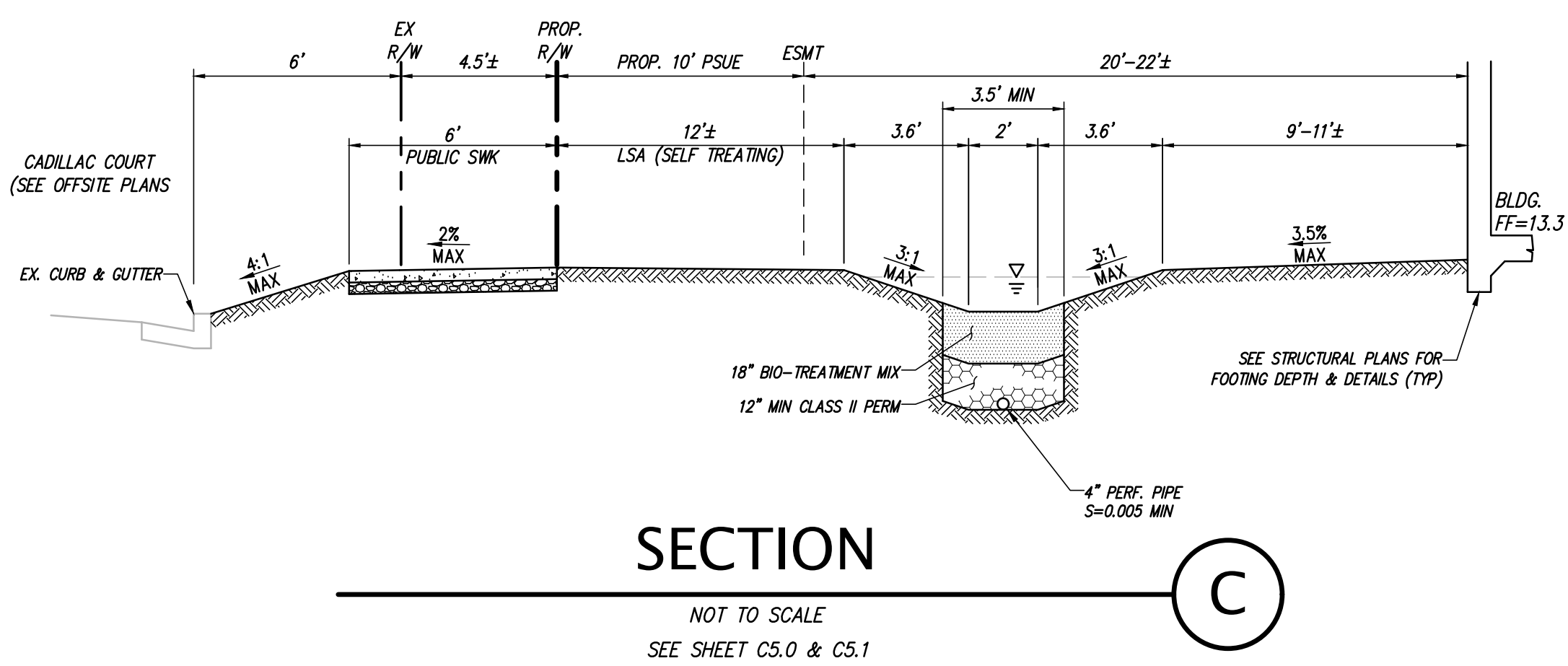
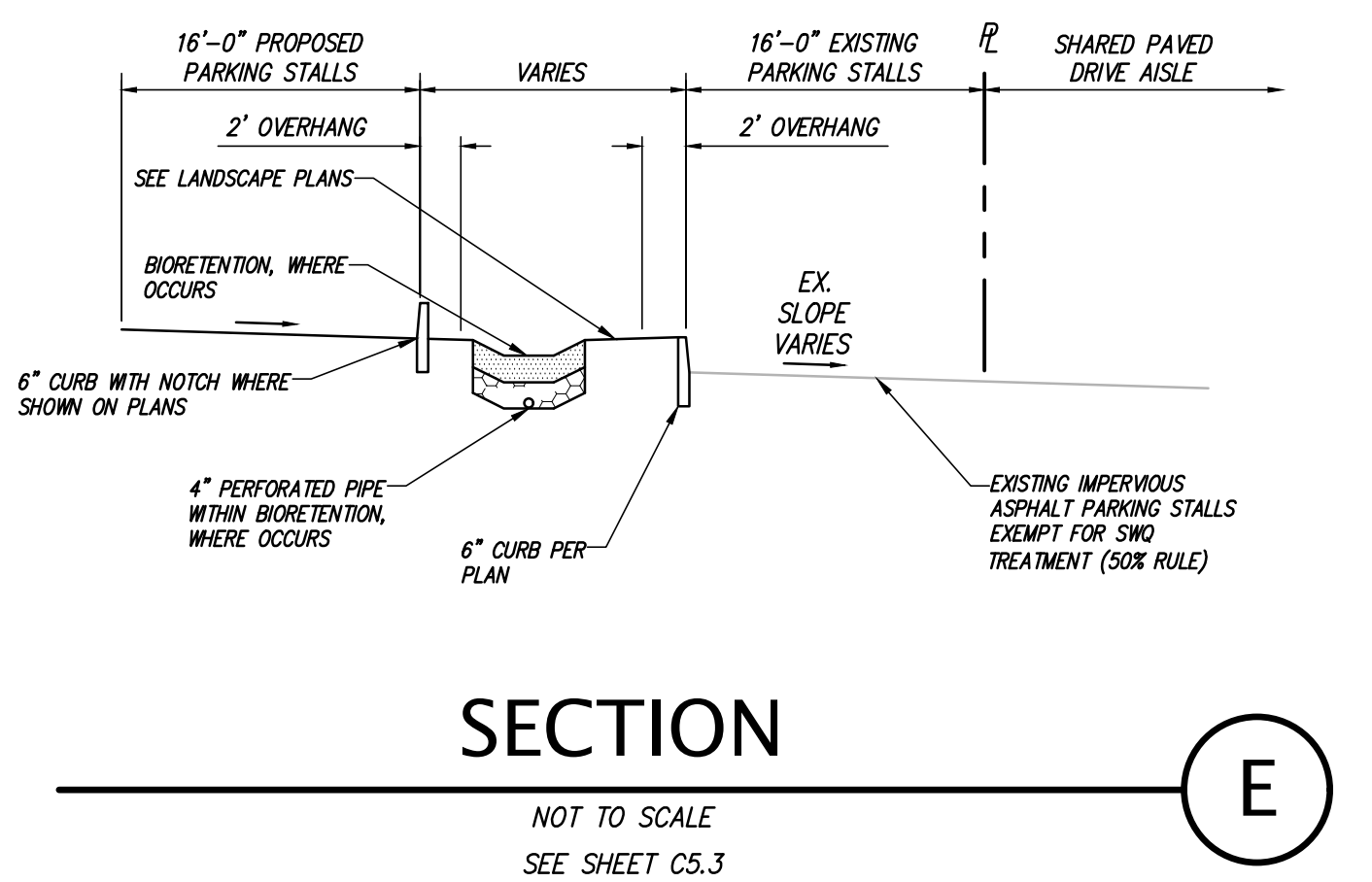
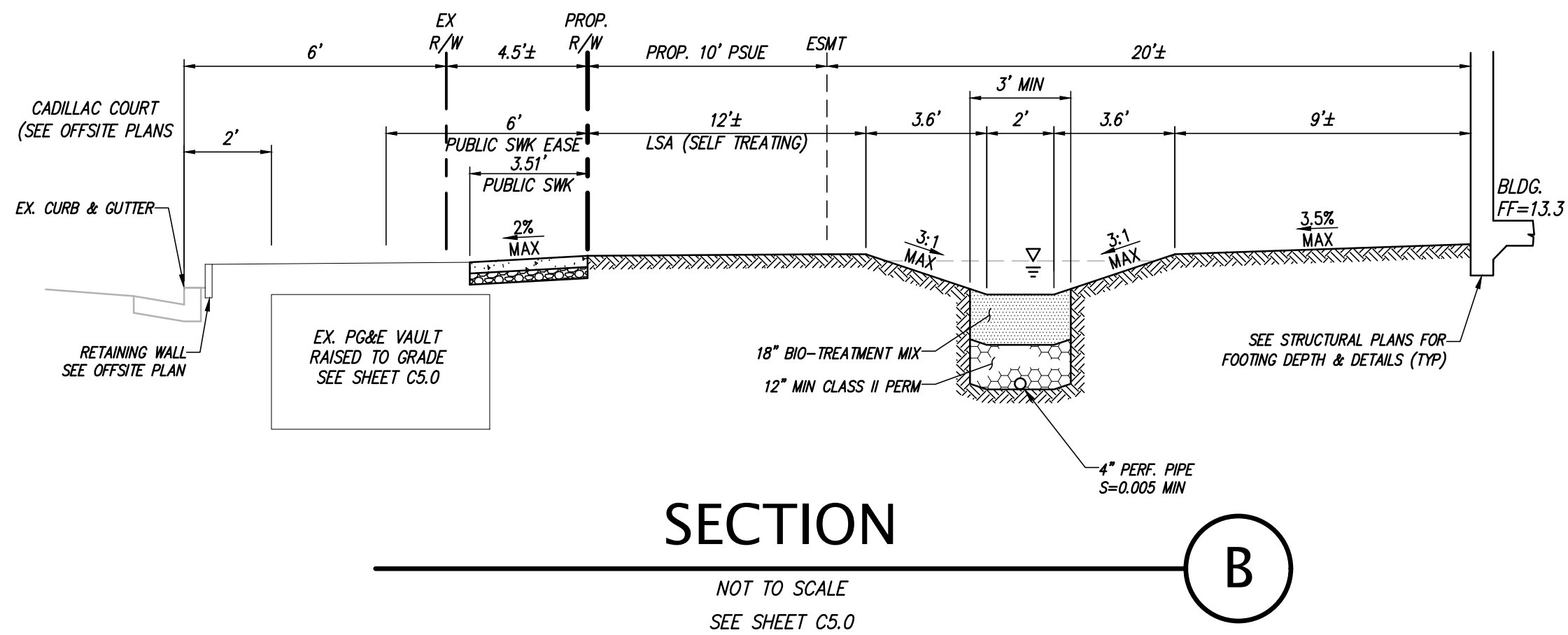
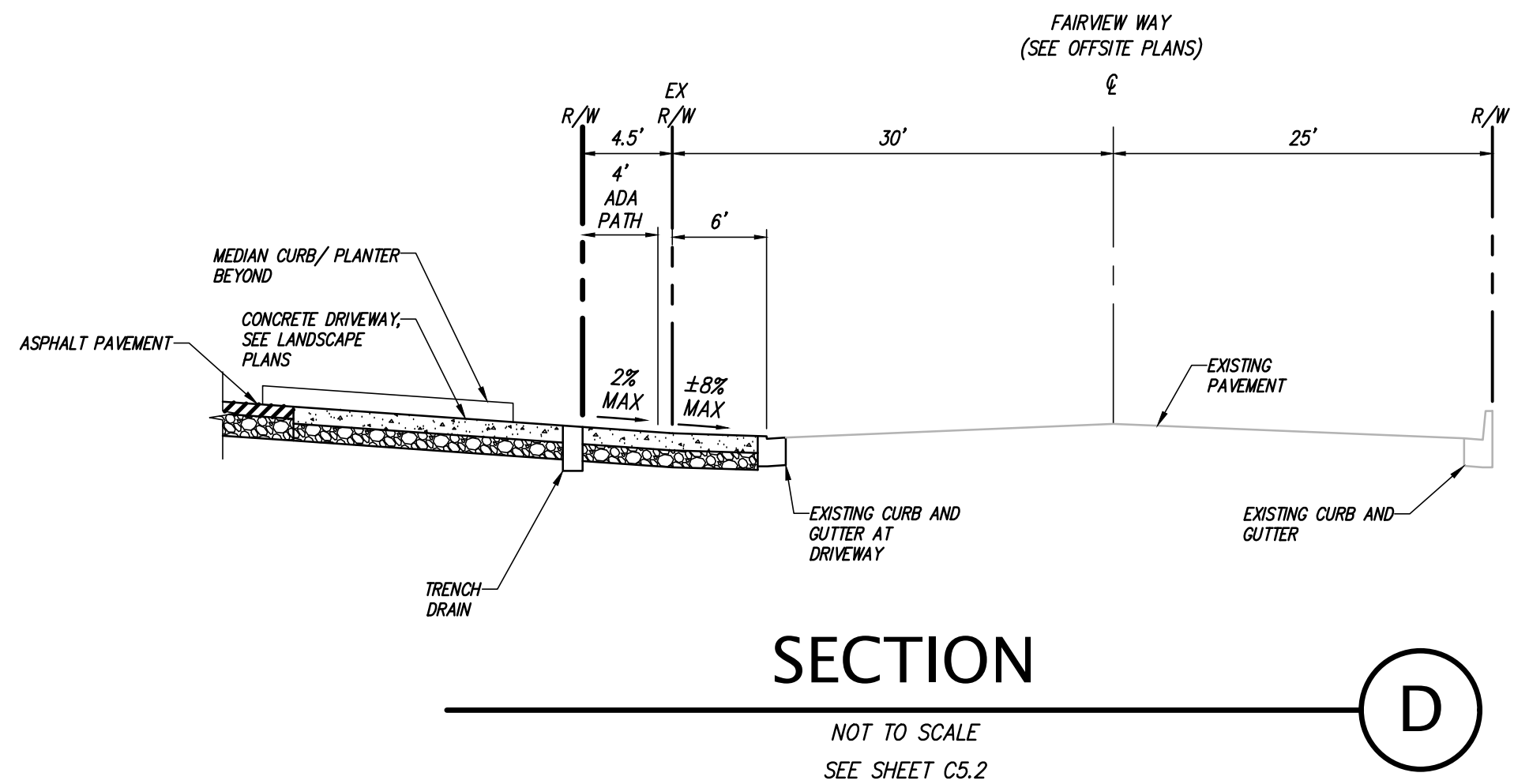
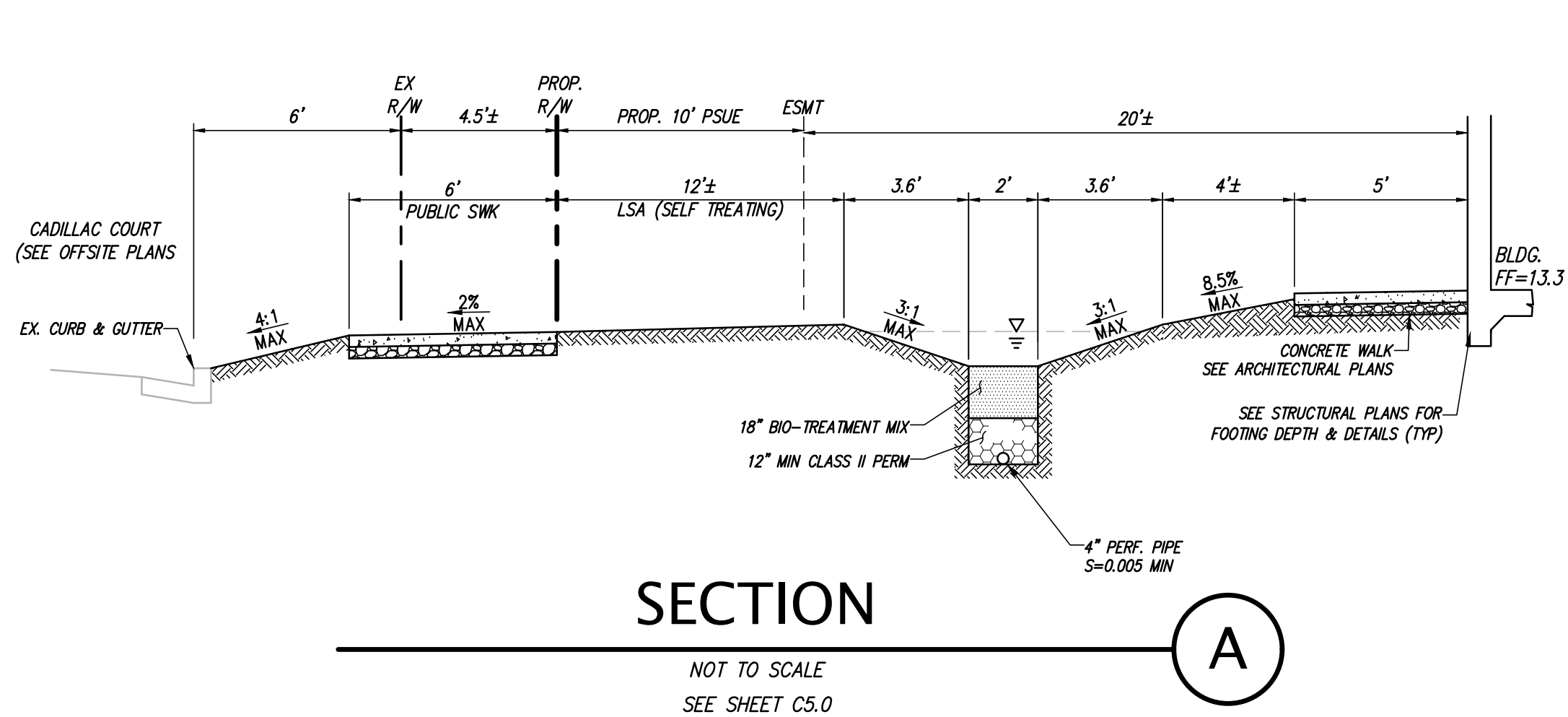
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**HOLIDAY INN MILPITAS**  
1100 Cadillac Court, Milpitas CA 95035  
Owner: Alps Group, Inc.

Issue  
04/27/15 City Submittal

Revisions

Sheet Title  
SECTIONS

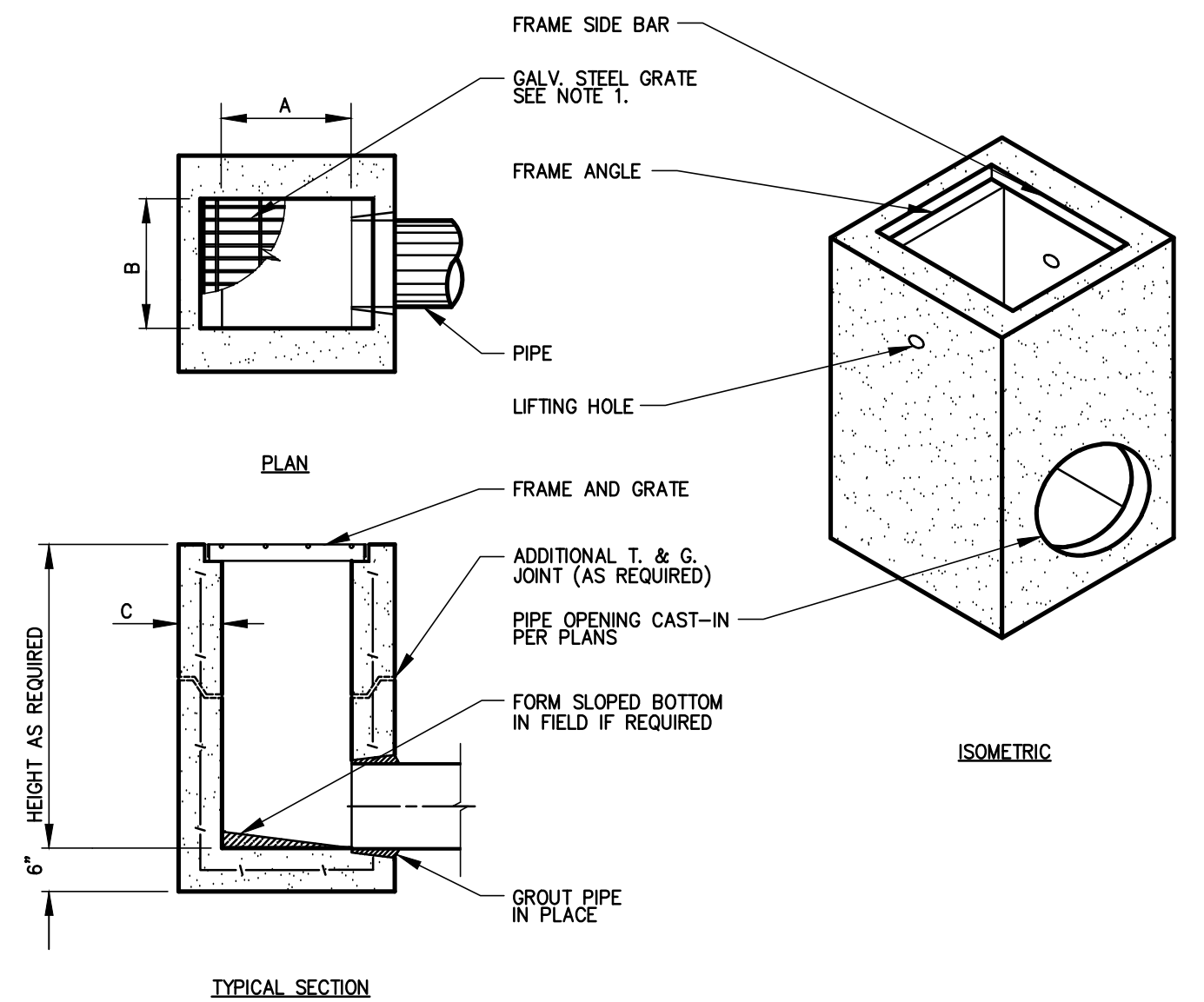
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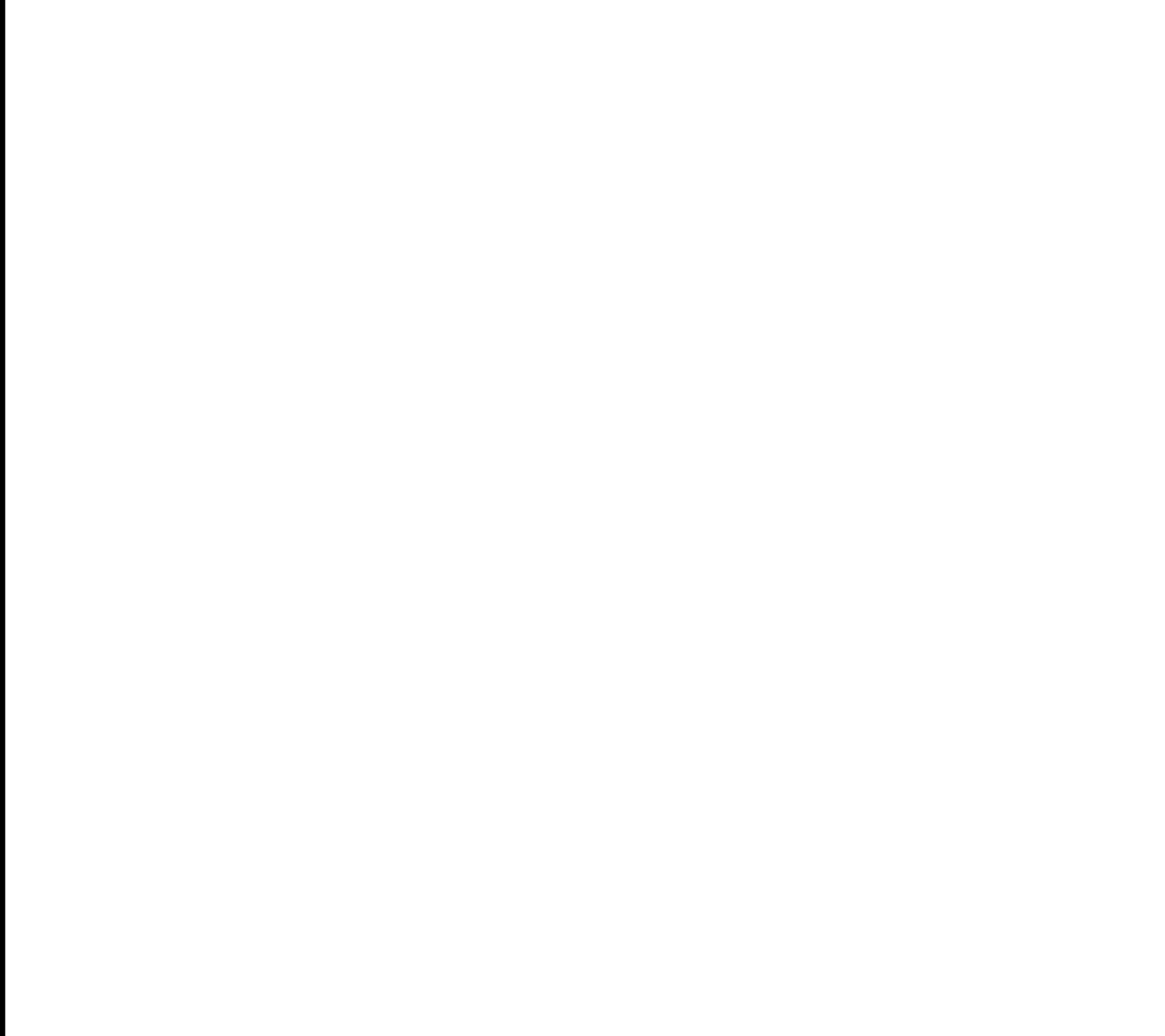
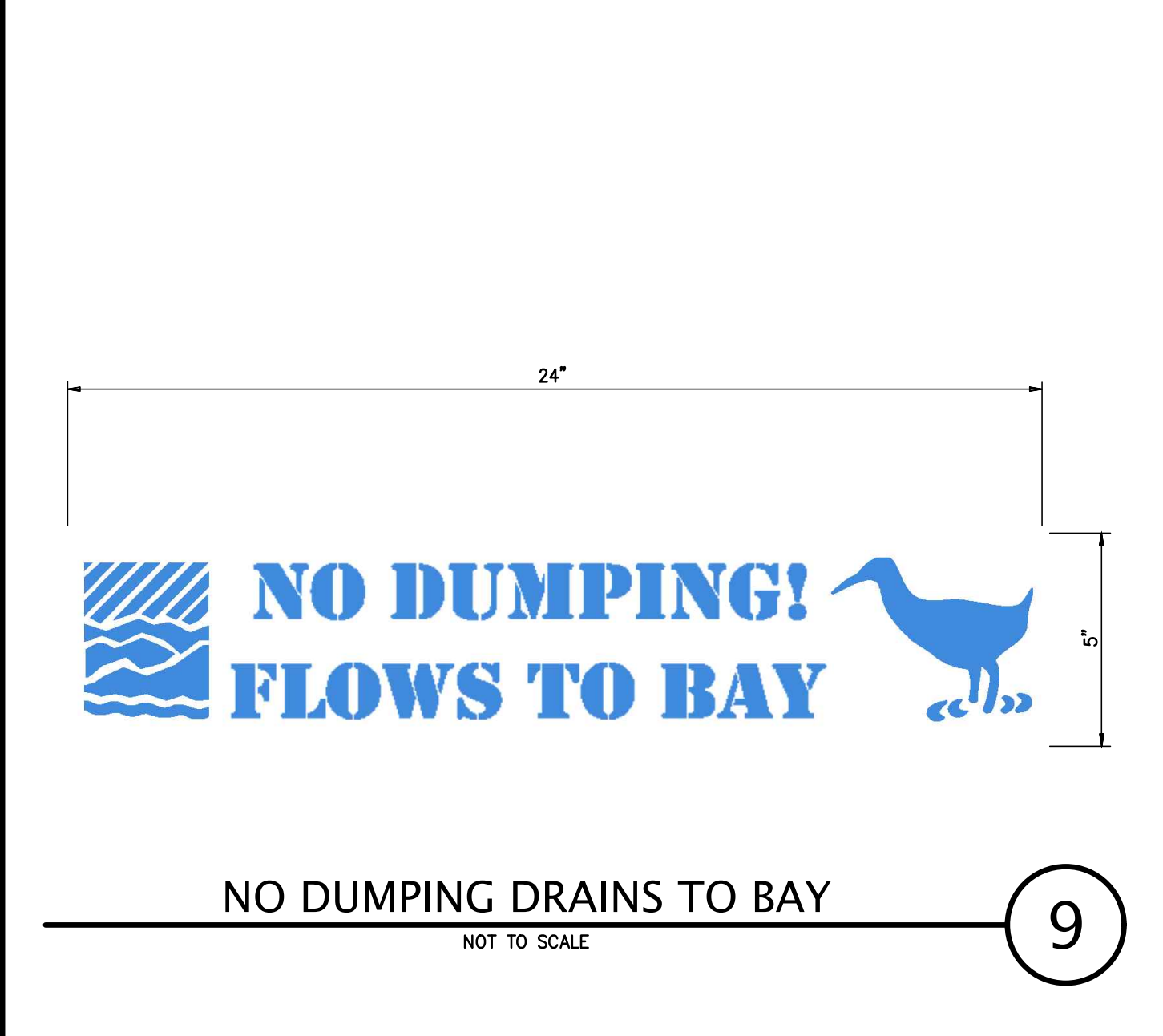
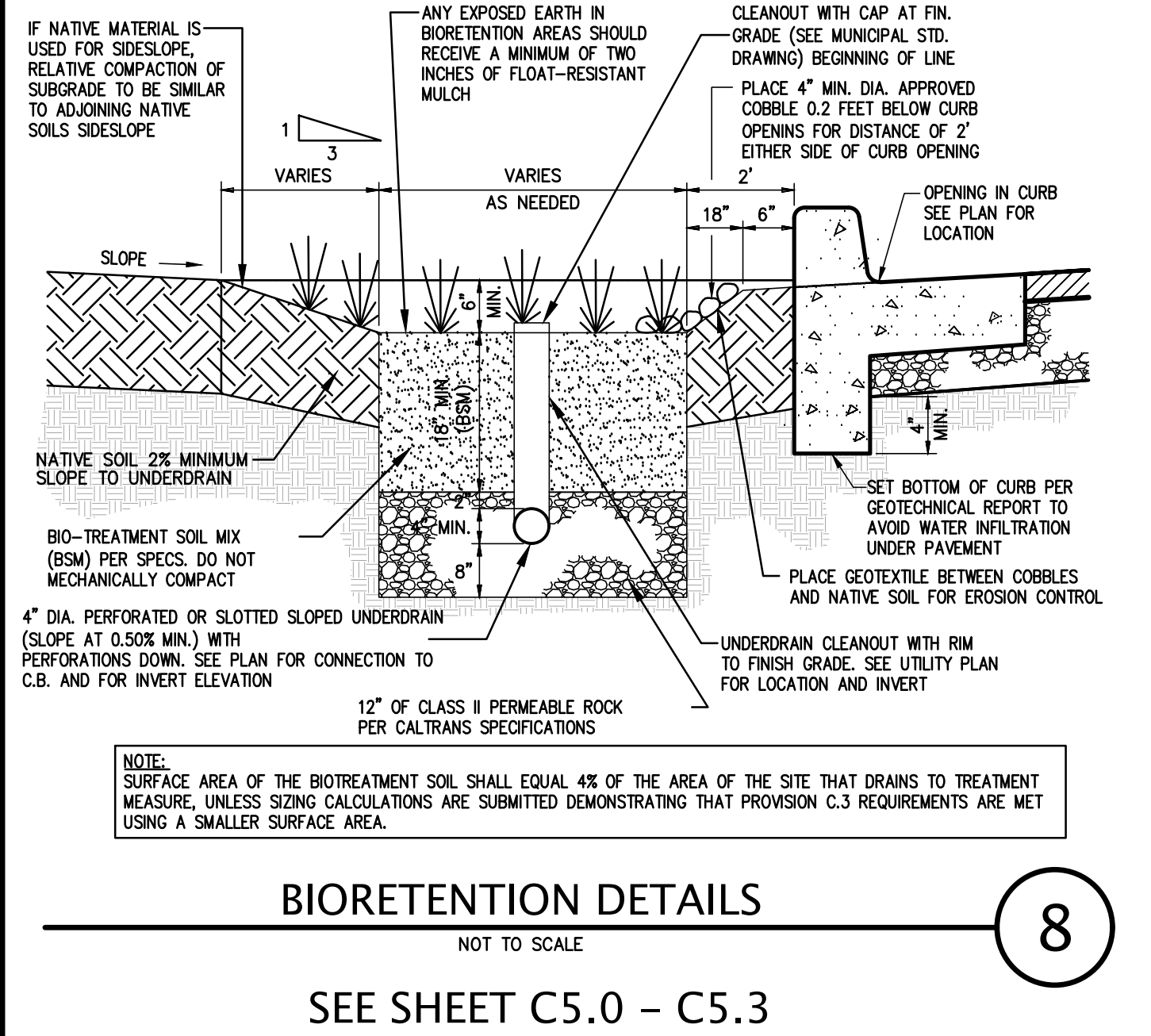
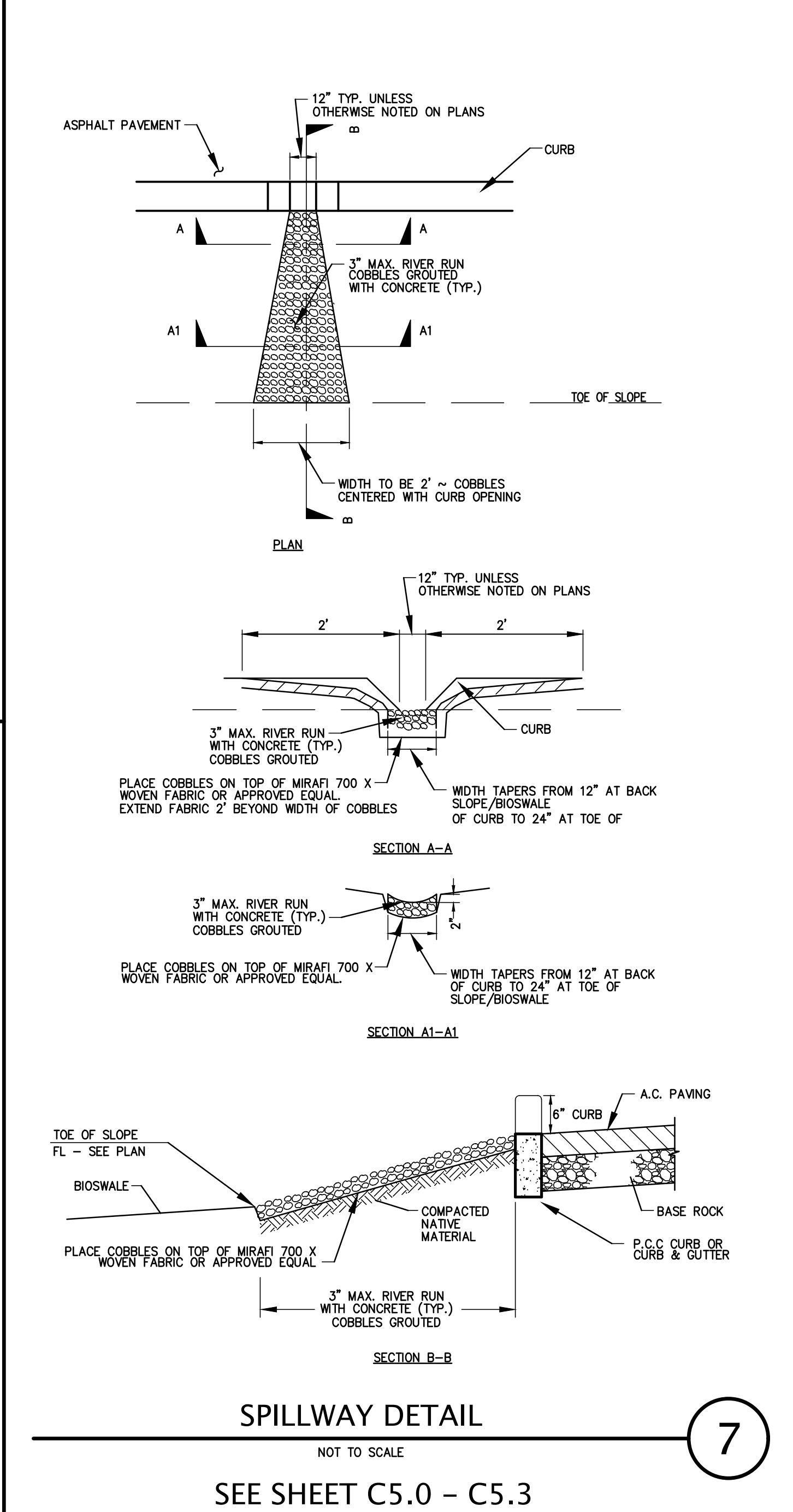
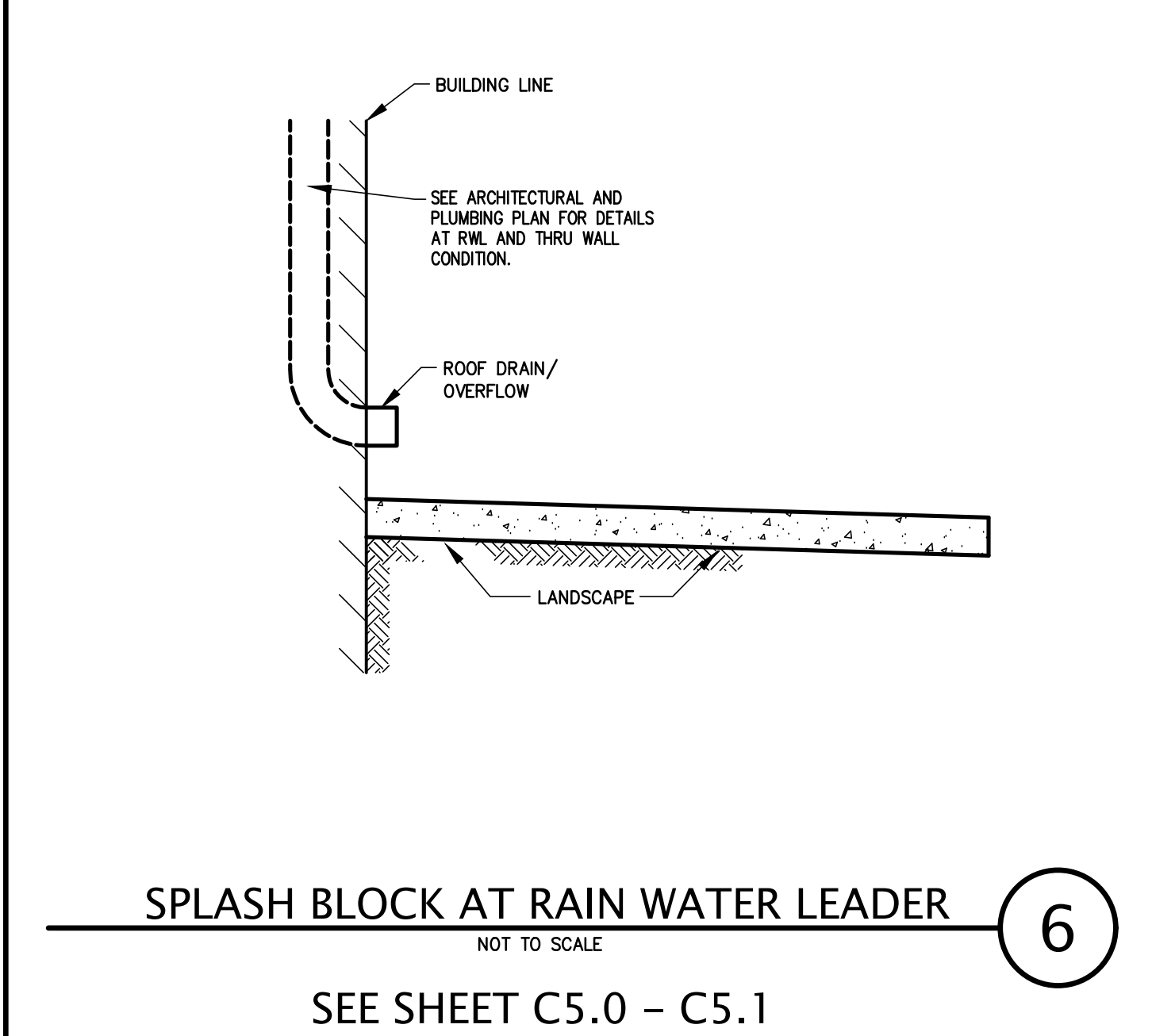
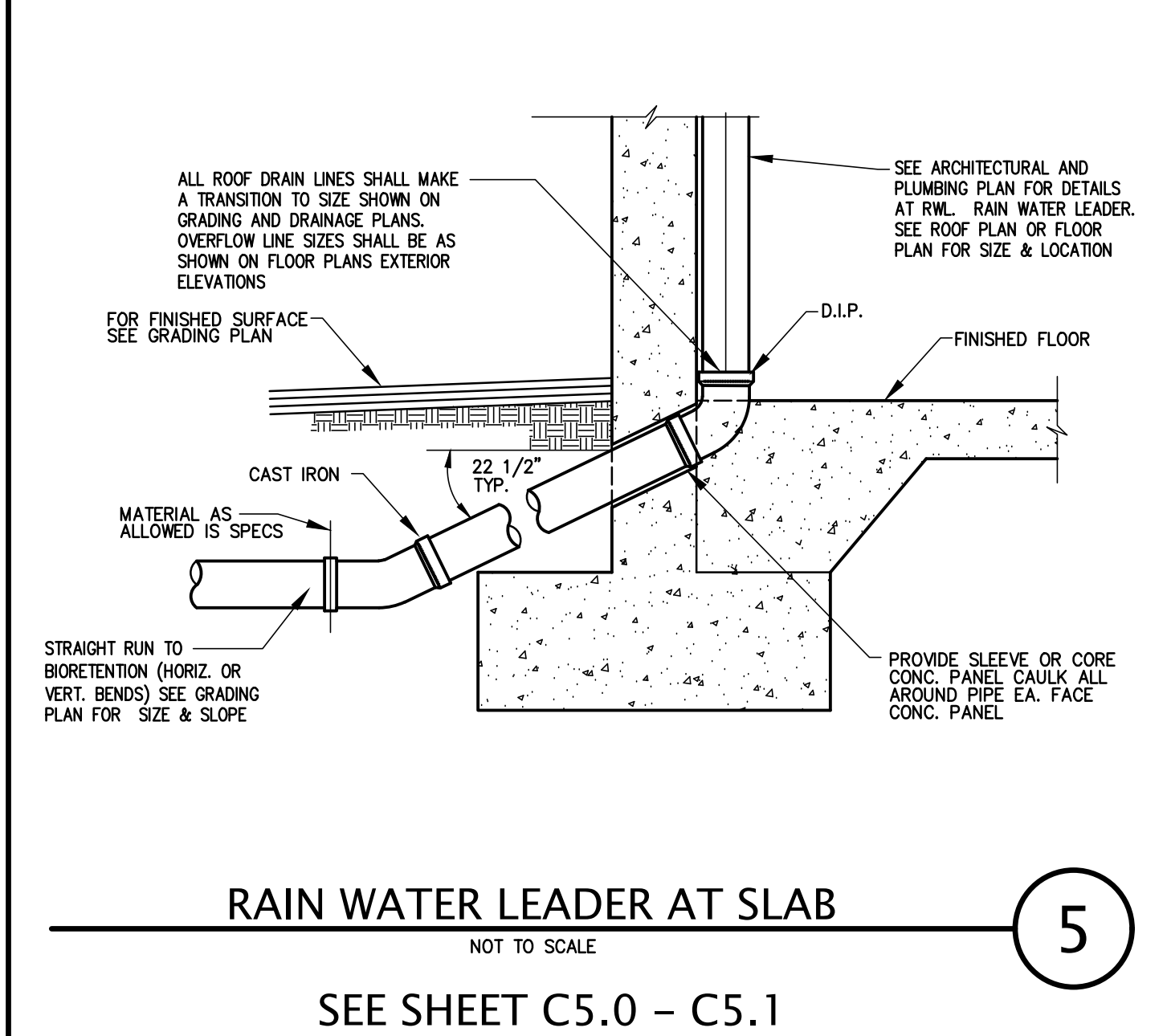
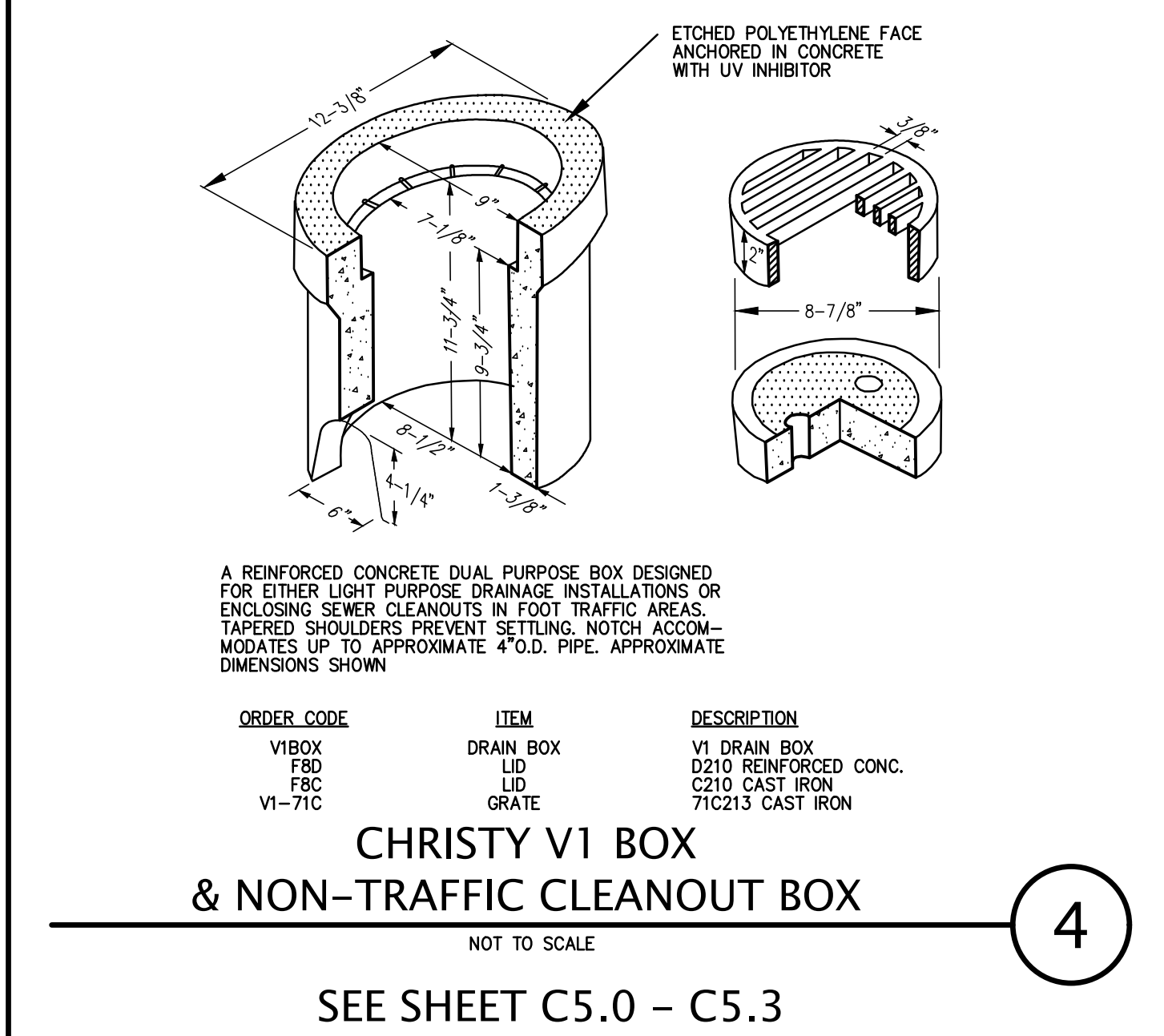
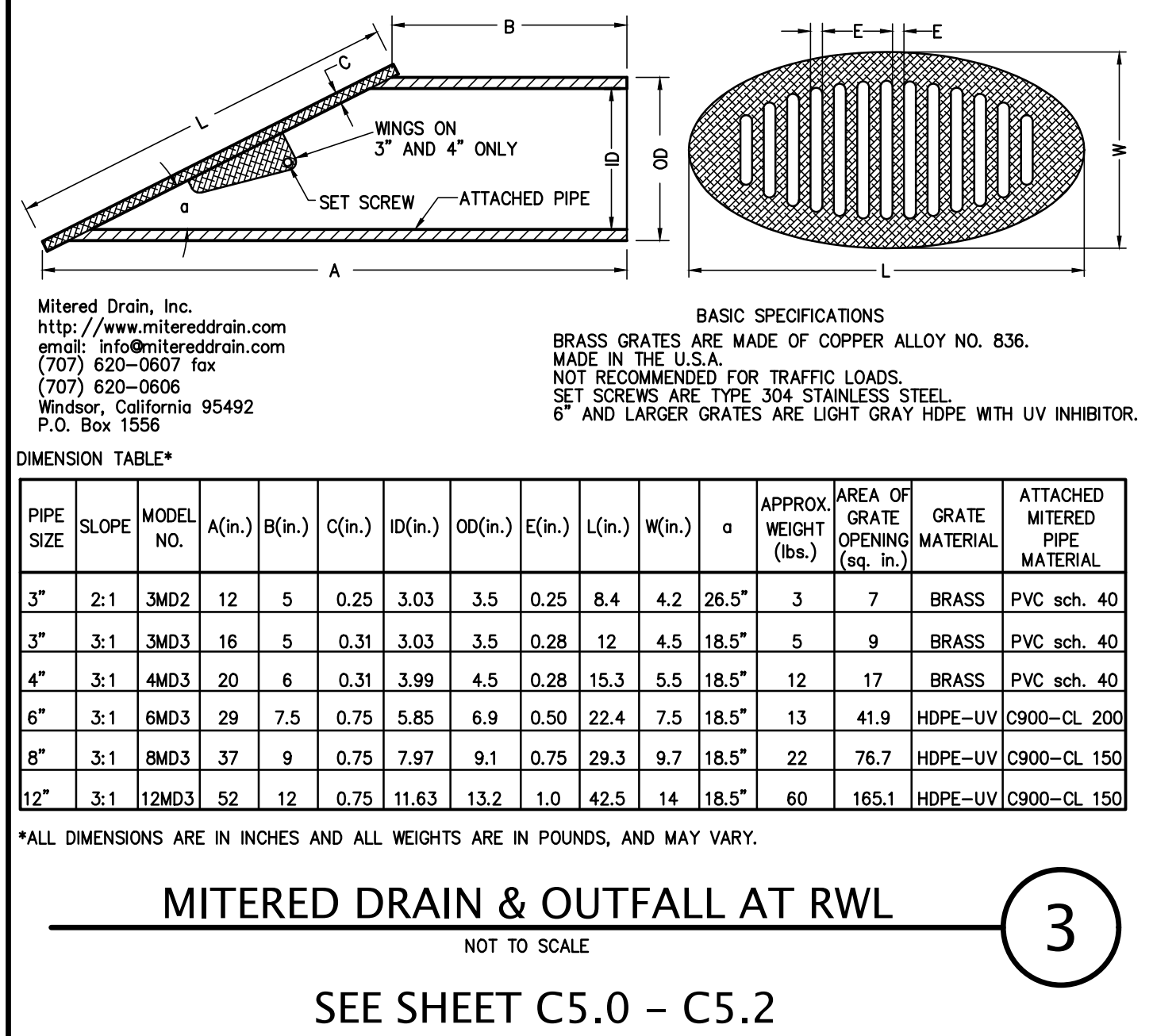
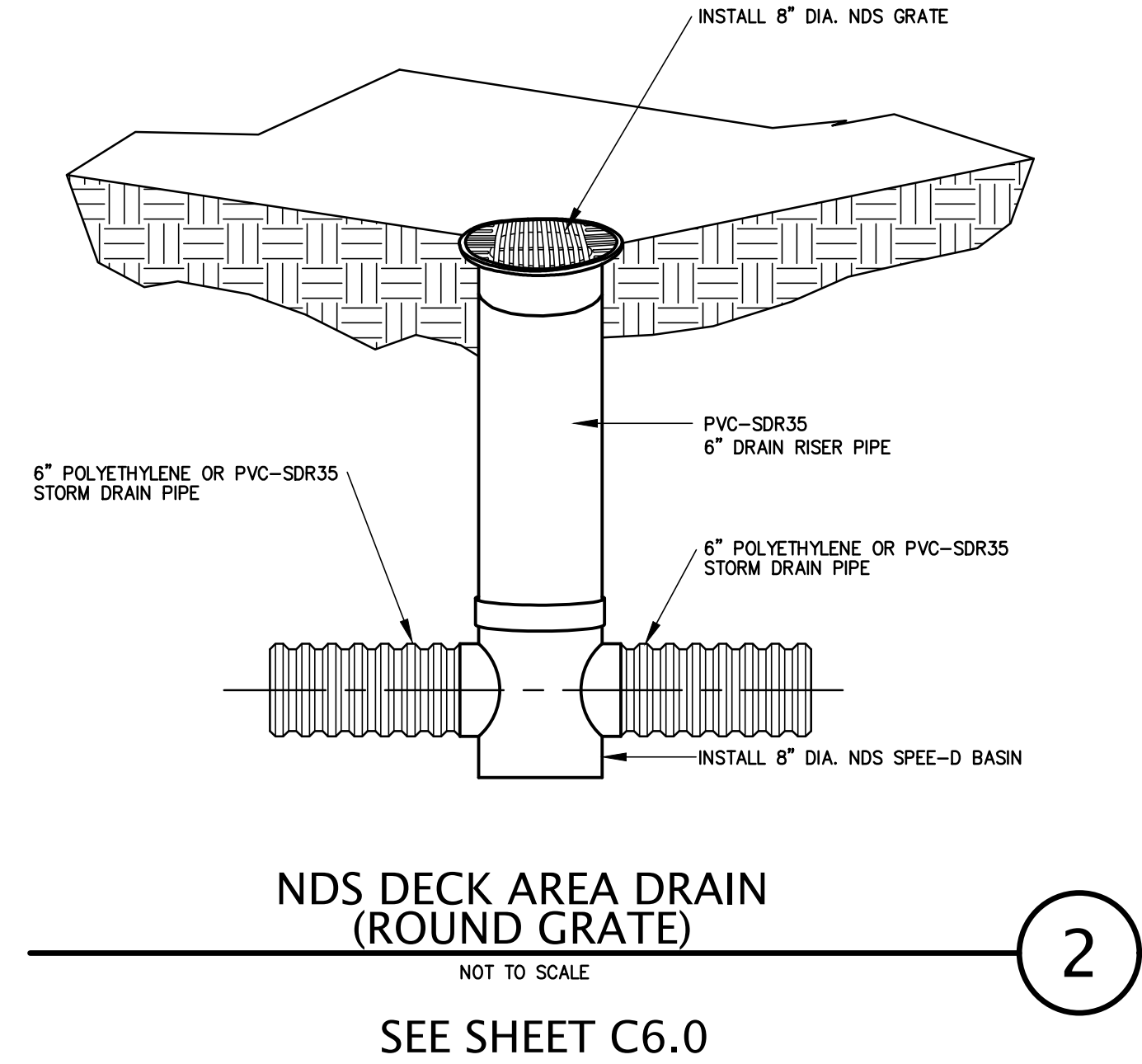
1. FRAMES AND GRATES MAY BE SPECIFIED FOR PEDESTRIAN OR H2O TRAFFIC LOADING. ALL GRATES ARE BICYCLE PROOF. OPTIONAL GRATE LOCKING DEVICE AVAILABLE. ON REQUEST SEE DRAWING 'LOCK' ON PAGE 1-7 OF THE CENTRAL PRECAST CATALOG. CLOSED-MESH GRATES OR CAST IRON FRAME AND GRATES ARE AVAILABLE ON REQUEST.
2. FOR SURFACE AND DISCHARGE OPTIONS AVAILABLE. SEE DRAWING NO. 'DI-50' PAGE 1-6 AND 'DI-100' PAGE 1-5 OF THE CENTRAL PRECAST CATALOG.
3. FRAMES AND GRATES DETAILS SEE PAGES 1-8, 1-9, AND 1-10 OF THE CENTRAL PRECAST CATALOG.
4. WALL THICKNESSES ON ALL D.I.S. CAN BE CHANGED UPON REQUEST. 5. 18" WIDE D.I.'S REPLACE THE OLD 16" WIDE BOX BK & 1K.
5. SOLID WATER RATE LID FOR JUNCTION BOX CONDITION.
6. ALL INLETS AND JUNCTION BOXES SHALL BE STENCILED WITH "NO DUMPING FLOWS TO BAY" PER DETAIL 9 ON SHEET C3.2

MODEL No.	CPC MODEL NAME	A		B		C	
		IN	MM	IN	MM	IN	MM
CP1212	EK	12	300	12	300	4	100
CP1818	CK	18	450	18	450	5	125
CP1824	1K*	18	450	24	600	5	125
CP2424	2K	24	600	24	600	5	125
CP2430	3K	24	600	30	750	5	125
CP3030	5K	30	750	30	750	6	150
CP2436	1L	24	600	36	900	6	150
CP3636	1M	36	900	36	900	6	150
CP2448	3L	24	600	48	1200	6	150
CP3648	3M	36	900	48	1200	6	150
CP4848	1R	48	1200	48	1200	6	150

**DROP INLET & JUNCTION BOX  
US CONCRETE PRECAST GROUP**

NOT TO SCALE

SEE SHEET C5.0 - C5.3



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STATE OF CALIFORNIA

Project: GRADING AND DRAINAGE PLAN S FOR:  
**HOLIDAY INN MILPITAS**  
1100 Cadillac Court, Milpitas CA 95035  
Owner: Alps Group, Inc.

Issue  
04/27/15 City Submittal

Revisions

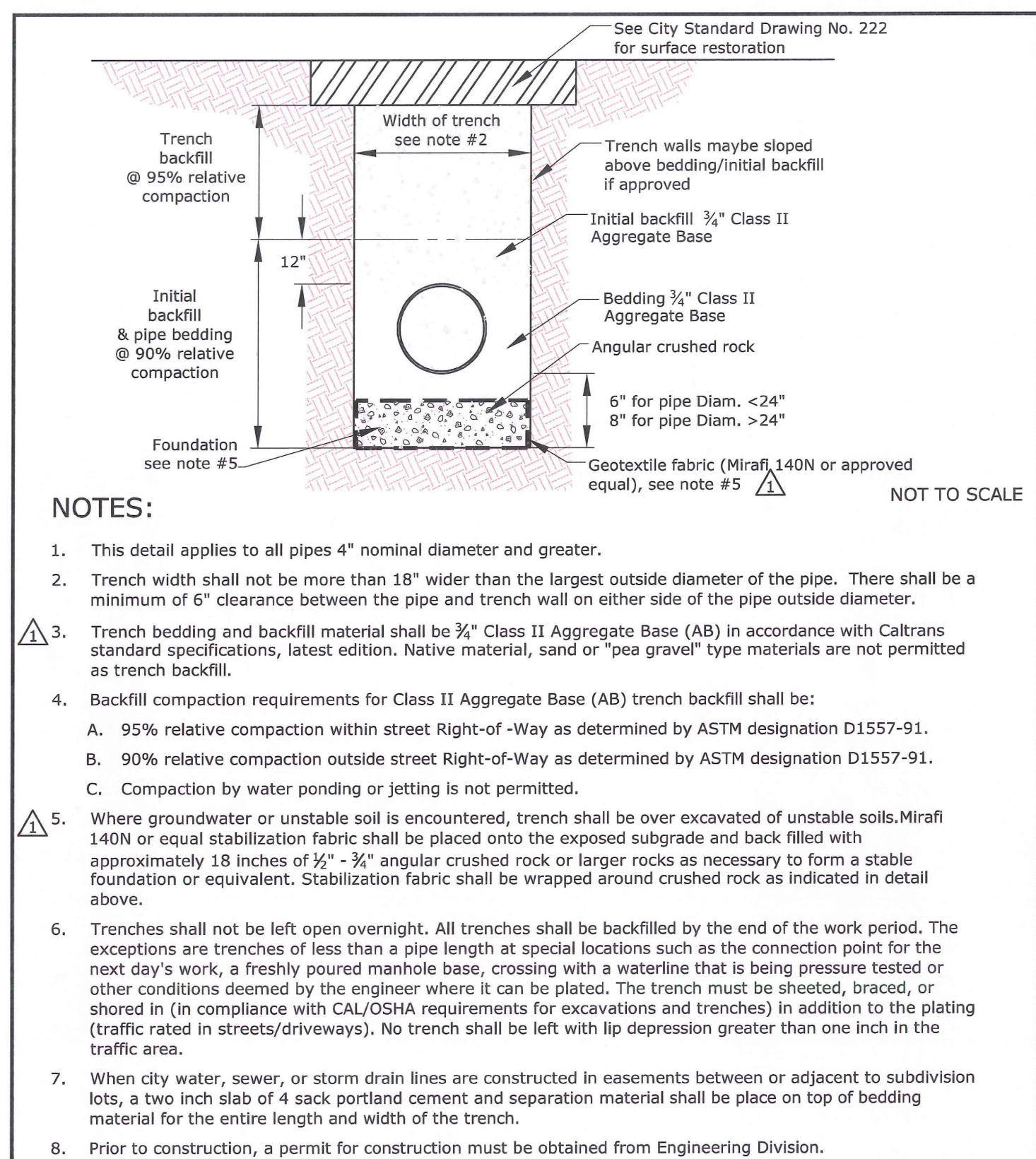
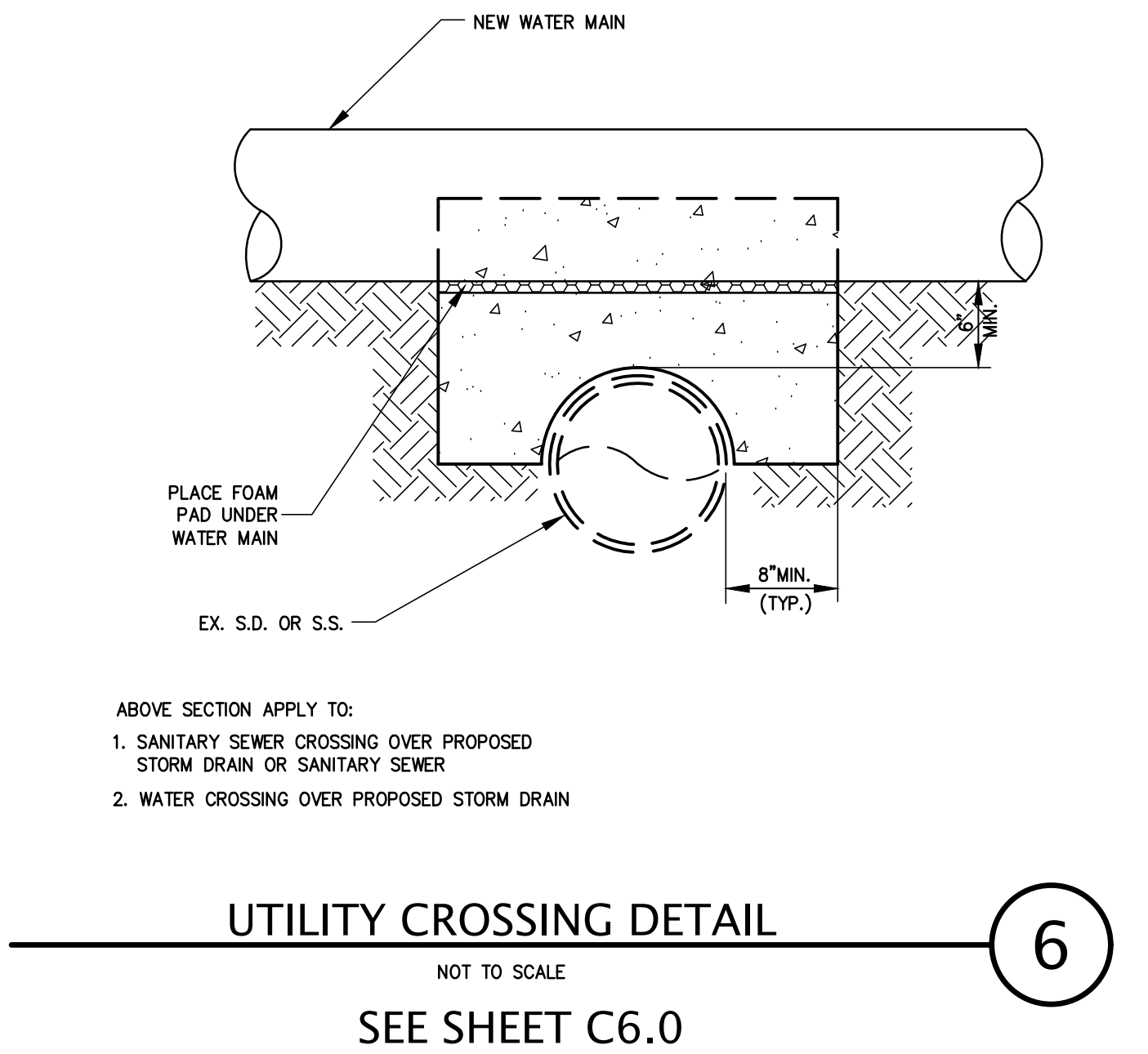
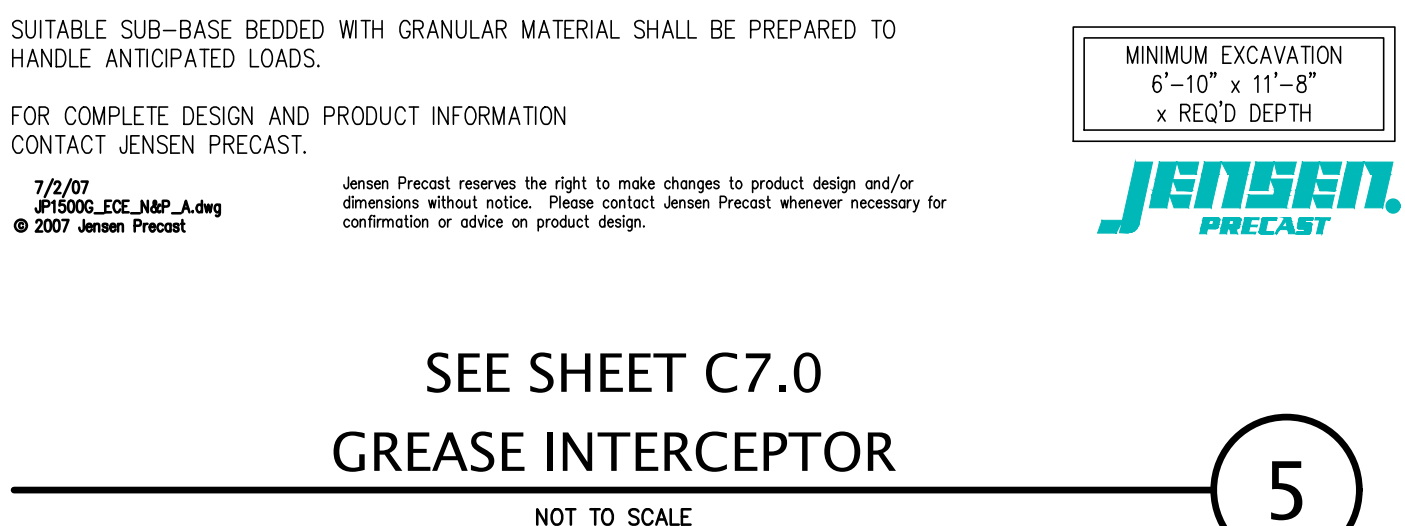
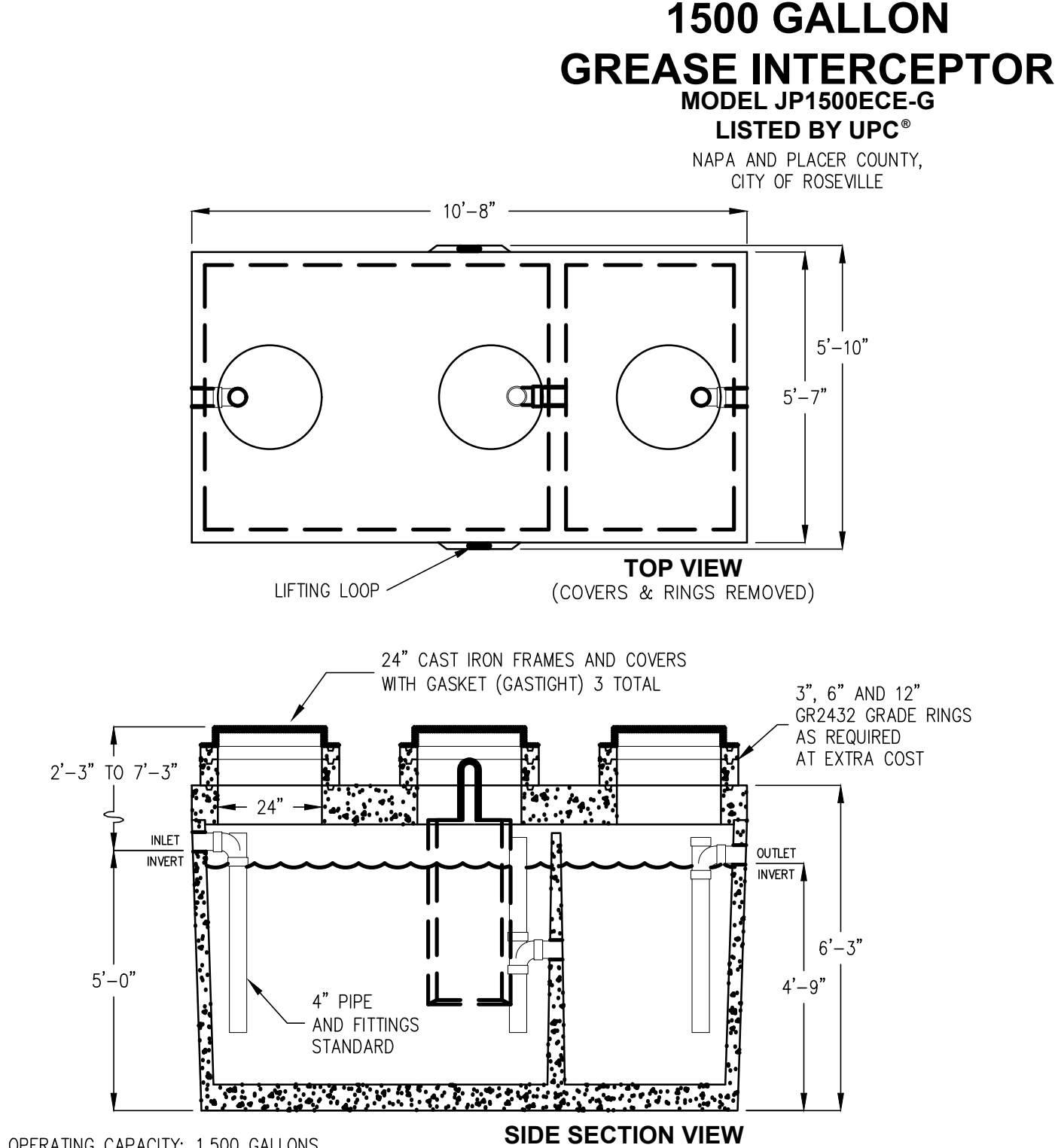
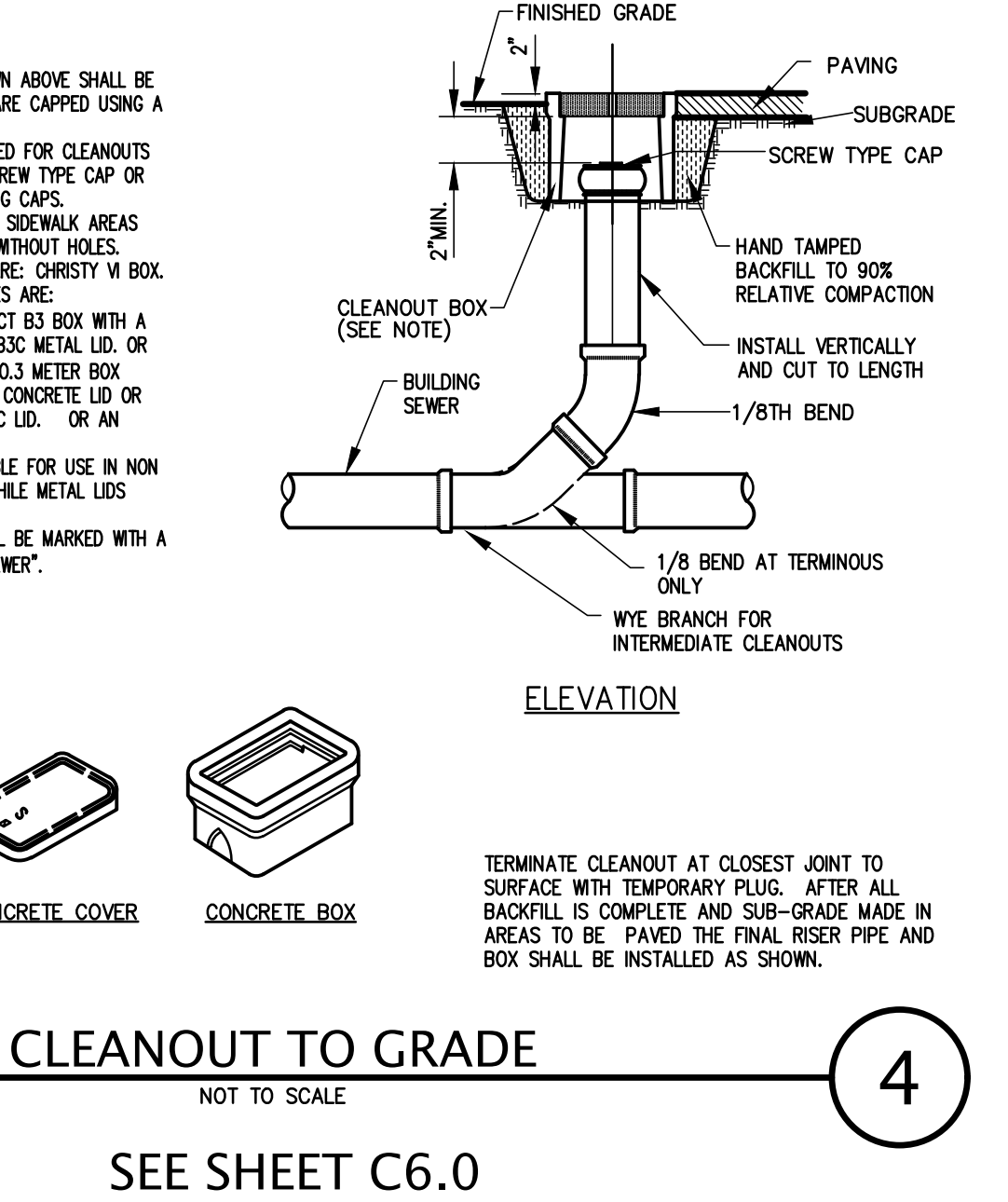
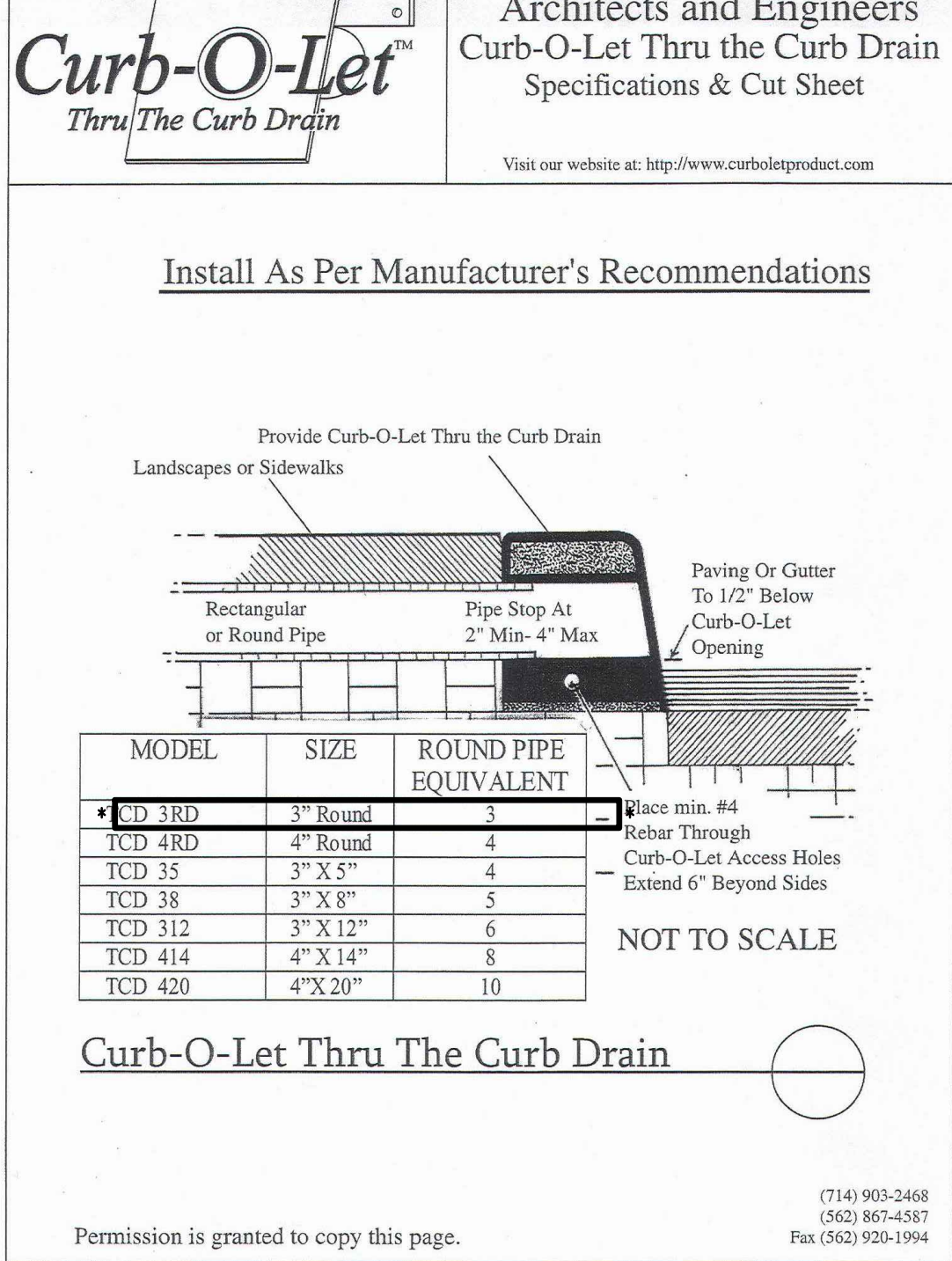
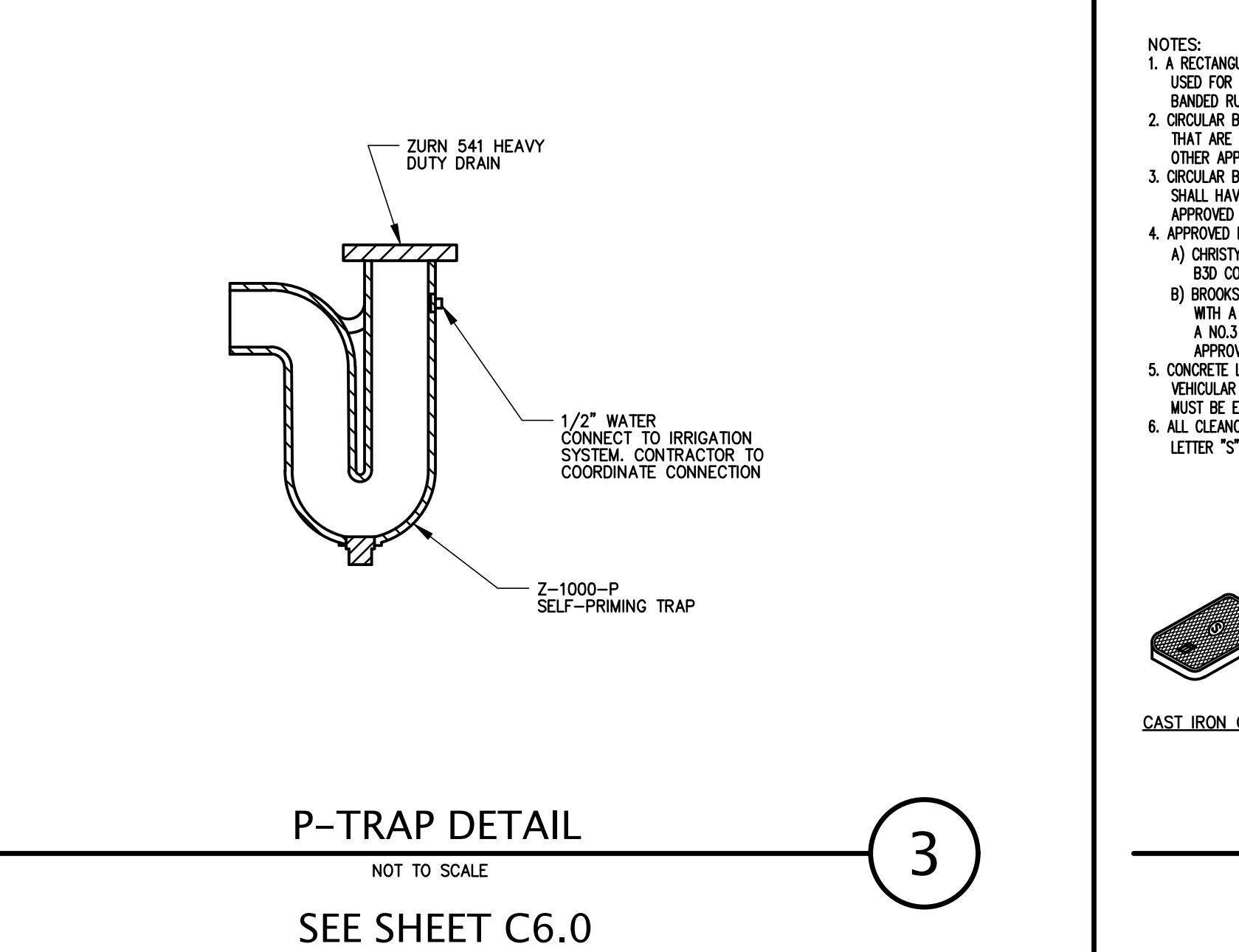
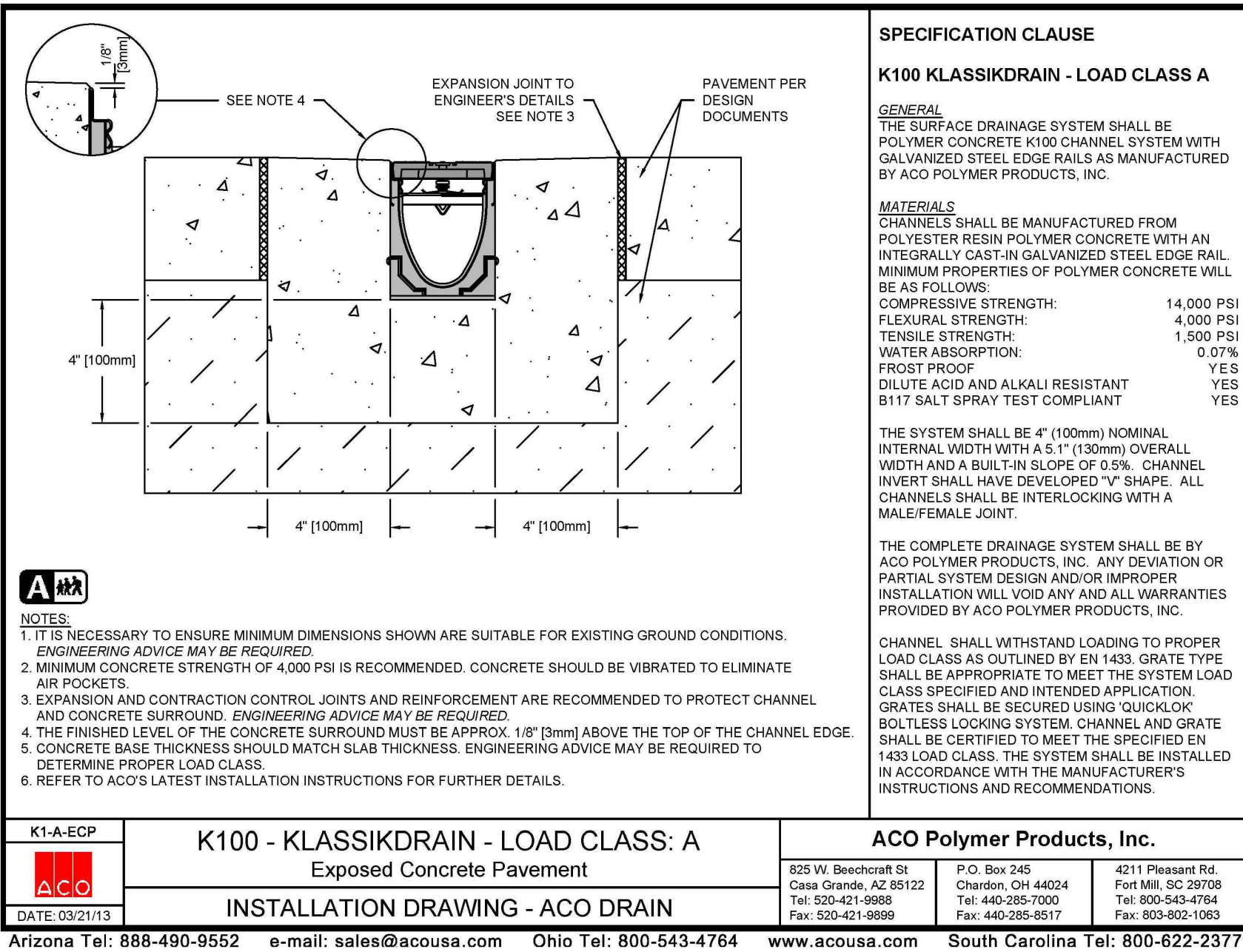
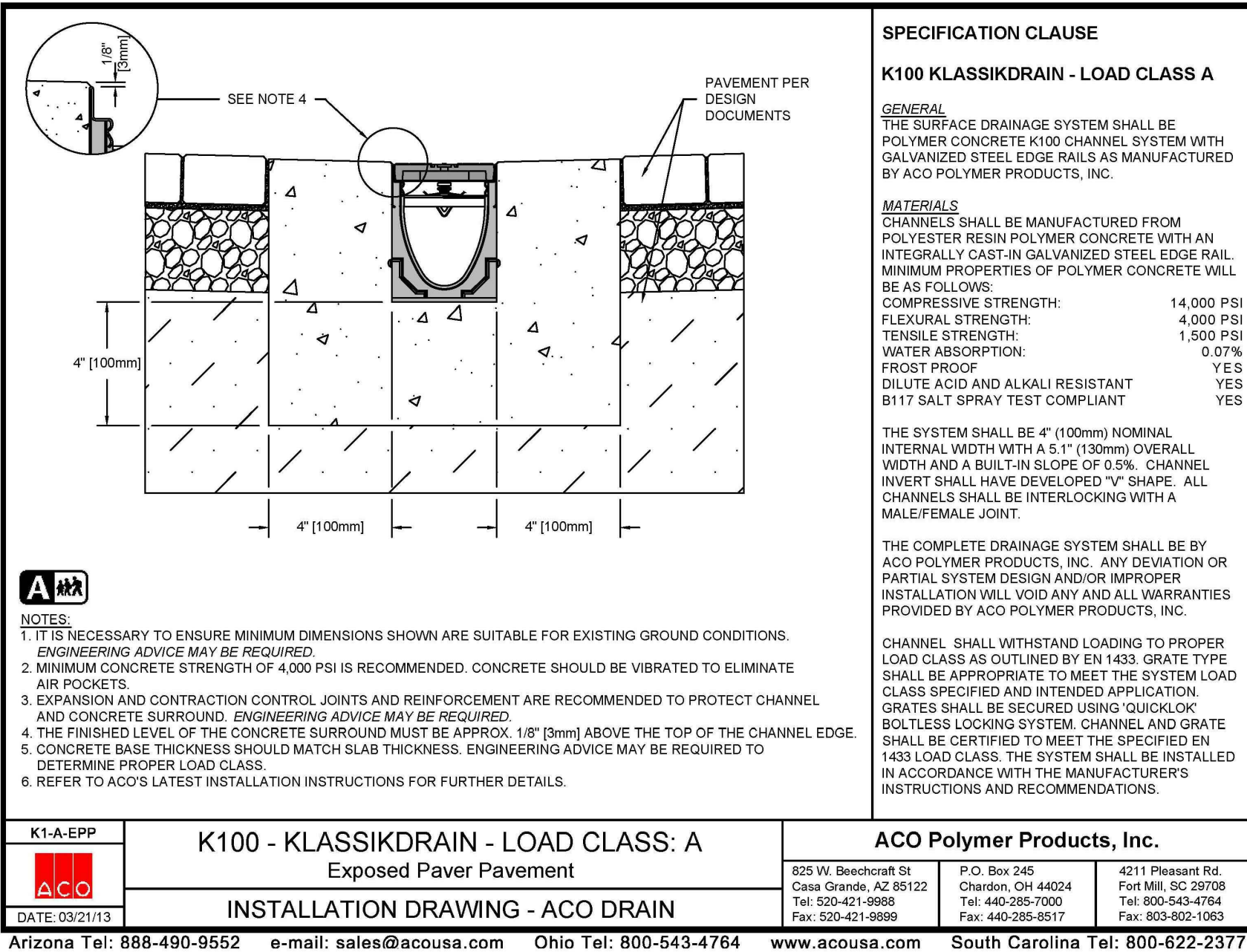
Sheet Title  
**DETAILS**

Date Last Edited  
**March 8, 2017**

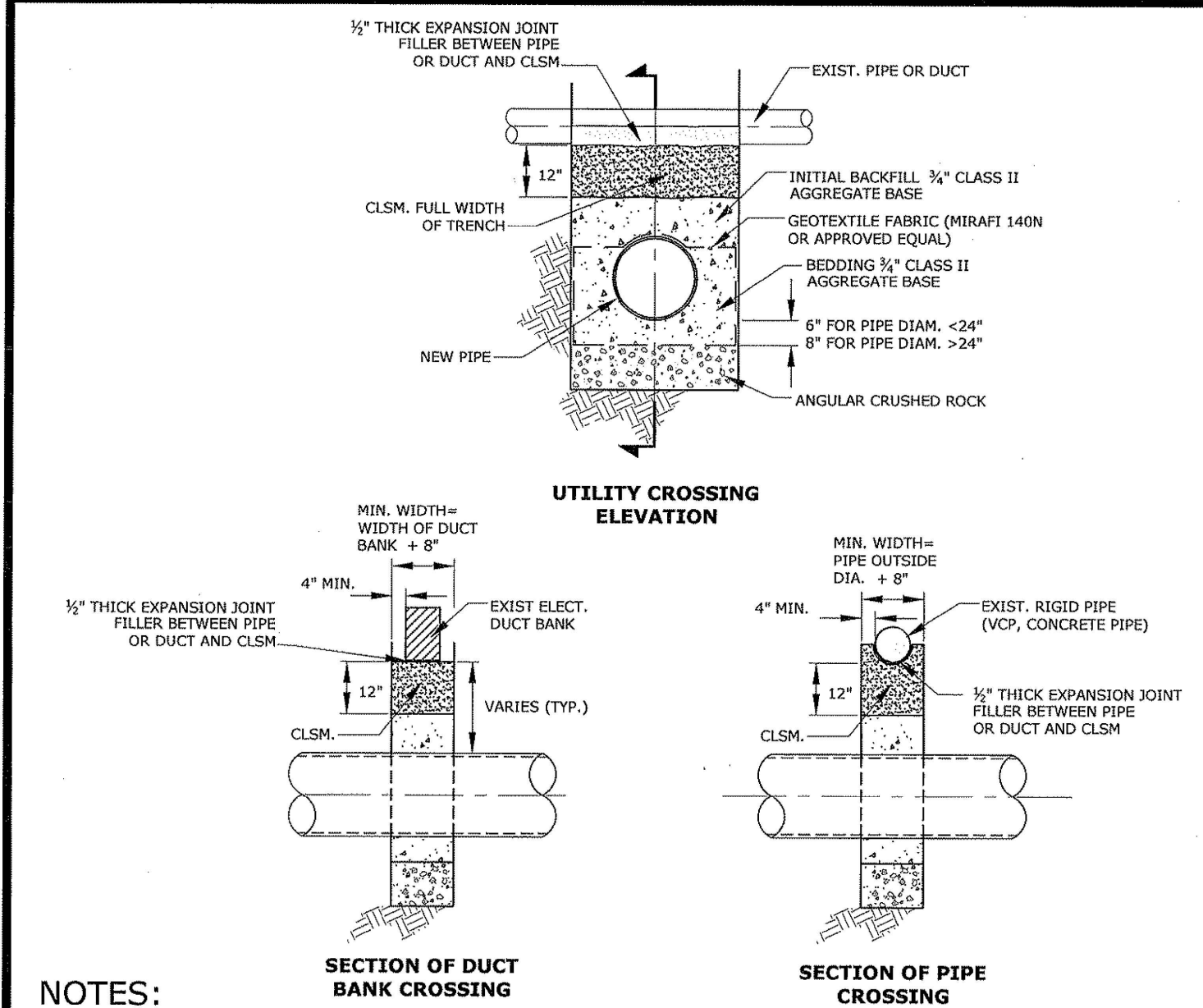
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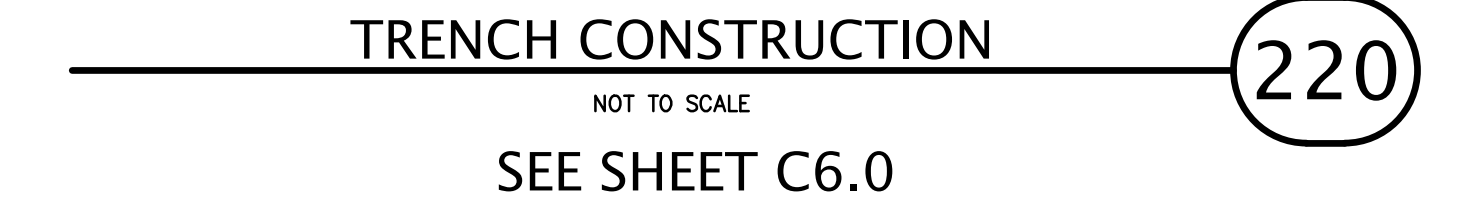
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CITY OF MILPITAS, ENGINEERING DIVISION		STANDARD DRAWING	
REVISION	DATE	NO. 220	
1	2016	DATE : 10/11/16	
APPROVED BY: <i>[Signature]</i>		SHEET 1 OF 2	
DIRECTOR OF ENGINEERING / CITY ENGINEER			



CITY OF MILPITAS, ENGINEERING DIVISION		STANDARD DRAWING	
REVISION	DATE	NO. 220	
1	1978	DATE : 6/15/10	
2	2001	SHEET 2 OF 2	
3	2010		
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1100 Cadillac Court, Milpitas CA 95035

Owner: Alps Group, Inc.

Issue

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**C11.3**



*Appendix B: CASQA Stormwater BMP Handbook Portal: Industrial  
and Commercial BMP Cutsheets*

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## Description

Non-stormwater discharges (NSWDs) are flows that do not consist entirely of stormwater. Some non-stormwater discharges do not include pollutants and may be discharged to the storm drain if local regulations allow. These include uncontaminated groundwater and natural springs. There are also some non-stormwater discharges that typically do not contain pollutants and may be discharged to the storm drain with conditions. These include: potable water sources, fire hydrant flushing, air conditioner condensate, landscape irrigation drainage and landscape watering, emergency firefighting, etc. as discussed in Section 2.

However there are certain non-stormwater discharges that pose an environmental concern. These discharges may originate from illegal dumping of industrial material or wastes and illegal connections such as internal floor drains, appliances, industrial processes, sinks, and toilets that are illegally connected to the nearby storm drainage system through on-site drainage and piping. These unauthorized discharges (examples of which may include: process waste waters, cooling waters, wash waters, and sanitary wastewater) can carry substances such as paint, oil, fuel and other automotive fluids, chemicals and other pollutants into storm drains.

Non-stormwater discharges will need to be addressed through a combination of detection and elimination. The ultimate goal is to effectively eliminate unauthorized non-stormwater discharges to the stormwater drainage system through implementation of measures to detect, correct, and enforce against illicit connections and illegal discharges of

## Objectives

- *Cover*
- *Contain*
- *Educate*
- *Reduce/Minimize*
- *Product Substitution*

## Targeted Constituents

<i>Sediment</i>	
<i>Nutrients</i>	✓
<i>Trash</i>	
<i>Metals</i>	✓
<i>Bacteria</i>	✓
<i>Oil and Grease</i>	✓
<i>Organics</i>	✓

## Minimum BMPs Covered

	<i>Good Housekeeping</i>	✓
	<i>Preventative Maintenance</i>	
	<i>Spill and Leak Prevention and Response</i>	✓
	<i>Material Handling &amp; Waste Management</i>	
	<i>Erosion and Sediment Controls</i>	
	<i>Employee Training Program</i>	✓
	<i>Quality Assurance Record Keeping</i>	✓



pollutants on streets and into the storm drain system and downstream water bodies.

## **Approach**

Initially the Discharger must make an assessment of non-stormwater discharges to determine which types must be eliminated or addressed through BMPs. The focus of the following approach is the elimination of unauthorized non-stormwater discharges. See other BMP Fact Sheets for activity-specific pollution prevention procedures.

### ***General Pollution Prevention Protocols***

- ❑ Implement waste management controls described in SC-34 Waste Handling and Disposal.
- ❑ Develop clear protocols and lines of communication for effectively prohibiting non-stormwater discharges, especially those that are not classified as hazardous. These are often not responded to as effectively as they need to be.
- ❑ Stencil or demarcate storm drains, where applicable, to prevent illegal disposal of pollutants. Storm drain inlets should have messages such as “Dump No Waste Drains to Stream” or similar stenciled or demarcated next to them to warn against ignorant or unintentional dumping of pollutants into the storm drainage system.
- ❑ Manage and control sources of water such as hose bibs, faucets, wash racks, irrigation heads, etc. Identify hoses and faucets in the SWPPP, and post signage for appropriate use.

### ***Non-Stormwater Discharge Investigation Protocols***

Identifying the sources of non-stormwater discharges requires the Discharger to conduct an investigation of the facility at regular intervals. There are several categories of non-stormwater discharges:

- ❑ Visible, easily identifiable discharges, typically generated as surface runoff, such as uncontained surface runoff from vehicle or equipment washing; and
- ❑ Non-visible, (e.g., subsurface) discharges into the site drainage system through a variety of pathways that are not obvious.

The approach to detecting and eliminating non-stormwater discharges will vary considerably, as discussed below:

### ***Visible and identifiable discharges***

- ❑ Conduct routine inspections of the facilities and of each major activity area and identify visible evidence of unauthorized non-stormwater discharges. This may include:
  - ✓ Visual observations of actual discharges occurring;



- ✓ Evidence of surface staining, discoloring etc. that indicates that discharges have occurred;
  - ✓ Pools of water in low lying areas when a rain event has not occurred; and
  - ✓ Discussions with operations personnel to understand practices that may lead to unauthorized discharges.
- If evidence of non-stormwater discharges is discovered:
- ✓ Document the location and circumstances using Worksheets 5 and 6 (Section 2 of the manual), including digital photos;
  - ✓ Identify and implement any quick remedy or corrective action (e.g., moving uncovered containers inside or to a proper location); and
  - ✓ Develop a plan to eliminate the discharge. Consult the appropriate activity-specific BMP Fact Sheet for alternative approaches to manage and eliminate the discharge.
- Consult the appropriate activity-specific BMP Fact Sheet for alternative approaches to manage and eliminate the discharge. Make sure the facility SWPPP is up-to-date and includes applicable BMPs to address the non-stormwater discharge.

## ***Other Illegal Discharges (Non visible)***

### *Illicit Connections*

- Locate discharges from the industrial storm drainage system to the municipal storm drain system through review of “as-built” piping schematics.
- Isolate problem areas and plug illicit discharge points.
- Locate and evaluate discharges to the storm drain system.
- Visual Inspection and Inventory:
  - ✓ Inventory and inspect each discharge point during dry weather.
  - ✓ Keep in mind that drainage from a storm event can continue for a day or two following the end of a storm and groundwater may infiltrate the underground stormwater collection system.
  - ✓ Non-stormwater discharges are often intermittent and may require periodic inspections.

### *Review Infield Piping*

- A review of the “as-built” piping schematic is a way to determine if there are any connections to the stormwater collection system.

- ❑ Inspect the path of loading/unloading area drain inlets and floor drains in older buildings.
- ❑ Never assume storm drains are connected to the sanitary sewer system.

## *Monitoring for investigation/detection of illegal discharges*

- ❑ If a suspected illegal or unknown discharge is detected, monitoring of the discharge may help identify the content and/or suggest the source. This may be done with a field screening analysis, flow meter measurements, or by collecting a sample for laboratory analysis. Section 5 and Appendix D describe the necessary field equipment and procedures for field investigations.
- ❑ Investigative monitoring may be conducted over time. For example if, a discharge is intermittent, then monitoring might be conducted to determine the timing of the discharge to determine the source.
- ❑ Investigative monitoring may be conducted over a spatial area. For example, if a discharge is observed in a pipe, then monitoring might be conducted at accessible upstream locations in order to pinpoint the source of the discharge.
- ❑ Generally, investigative monitoring requiring collection of samples and submittal for lab analysis requires proper planning and specially trained staff.

## *Smoke Testing*

Smoke testing of wastewater and stormwater collection systems is used to detect connections between the two piping systems. Smoke testing is generally performed at a downstream location and the smoke is forced upstream using blowers to create positive pressure. The advantage to smoke testing is that it can potentially identify multiple potential discharge sources at once.

- ❑ Smoke testing uses a harmless, non-toxic smoke cartridges developed specifically for this purpose.
- ❑ Smoke testing requires specialized equipment (e.g., cartridges, blowers) and is generally only appropriate for specially trained staff.
- ❑ A Standard Operating Procedure (SOP) for smoke testing is highly desirable. The SOP should address the following elements:
  - ✓ Proper planning and notification of nearby residents and emergency services is necessary since introducing smoke into the system may result in false alarms;
  - ✓ During dry weather, the stormwater collection system is filled with smoke and then traced back to sources;

- ✓ Temporary isolation of segments of pipe using sand bags is often needed to force the smoke into leaking pipes; and
- ✓ The appearance of smoke in a waste vent pipe, at a sewer manhole, or even the base of a toilet indicates that there may be a connection between the sanitary and storm water systems.
- Most municipal wastewater agencies will have necessary staff and equipment to conduct smoke testing and they should be contacted if cross connections with the sanitary sewer are suspected. See SC-44 Drainage System Maintenance for more information.

## *Dye Testing*

- Dye testing is typically performed when there is a suspected specific pollutant source and location (i.e., leaking sanitary sewer) and there is evidence of dry weather flows in the stormwater collection system.
- Dye is released at a probable upstream source location, either the facility's sanitary or process wastewater system. The dye must be released with a sufficient volume of water to flush the system.
- Operators then visually examine the downstream discharge points from the stormwater collection system for the presence of the dye.
- Dye testing can be performed informally using commercially available products in order to conduct an initial investigation for fairly obvious cross-connections.
- More detailed dye testing should be performed by properly trained staff and follow SOPs. Specialized equipment such as fluorometers may be necessary to detect low concentrations of dye.
- Most municipal wastewater agencies will have necessary staff and equipment to conduct dye testing and they should be contacted if cross connections with the sanitary sewer are suspected.

## *TV Inspection of Drainage System*

- Closed Circuit Television (CCTV) can be employed to visually identify illicit connections to the industrial storm drainage system. Two types of CCTV systems are available: (1) a small specially designed camera that can be manually pushed on a stiff cable through storm drains to observe the interior of the piping, or (2) a larger remote operated video camera on treads or wheels that can be guided through storm drains to view the interior of the pipe.
- CCTV systems often include a high-pressure water jet and camera on a flexible cable. The water jet cleans debris and biofilm off the inside of pipes so the camera can take video images of the pipe condition.

- ❑ CCTV units can detect large cracks and other defects such as offsets in pipe ends caused by root intrusions or shifting substrate.
- ❑ CCTV can also be used to detect dye introduced into the sanitary sewer.
- ❑ CCTV inspections require specialized equipment and properly trained staff and are generally best left to specialized contractors or municipal public works staff.

## ***Illegal Dumping***

- ❑ Substances illegally dumped on streets and into the storm drain systems and creeks may include paints, used oil and other automotive fluids, construction debris, chemicals, fresh concrete, leaves, grass clippings, and pet wastes. These wastes can cause stormwater and receiving water quality problems as well as clog the storm drain system itself.
- ❑ Establish a system for tracking incidents. The system should be designed to identify the following:
  - ✓ Illegal dumping hot spots;
  - ✓ Types and quantities (in some cases) of wastes;
  - ✓ Patterns in time of occurrence (time of day/night, month, or year);
  - ✓ Mode of dumping (abandoned containers, “midnight dumping” from moving vehicles, direct dumping of materials, accidents/spills);
  - ✓ An anonymous tip/reporting mechanism; and
  - ✓ Evidence of responsible parties (e.g., tagging, encampments, etc.).
- ❑ One of the keys to success of reducing or eliminating illegal dumping is increasing the number of people at the facility who are aware of the problem and who have the tools to at least identify the incident, if not correct it. Therefore, train field staff to recognize and report the incidents.

Once a site has been cleaned:

- ❑ Post “No Dumping” signs with a phone number for reporting dumping and disposal.
- ❑ Landscaping and beautification efforts of hot spots may also discourage future dumping, as well as provide open space and increase property values.
- ❑ Lighting or barriers may also be needed to discourage future dumping.
- ❑ See fact sheet SC-11 Spill Prevention, Control, and Cleanup.

## *Inspection*

- ❑ Regularly inspect and clean up hot spots and other storm drainage areas where illegal dumping and disposal occurs.
- ❑ Conduct field investigations of the industrial storm drain system for potential sources of non-stormwater discharges.
- ❑ Pro-actively conduct investigations of high priority areas. Based on historical data, prioritize specific geographic areas and/or incident type for pro-active investigations.



## ***Spill and Leak Prevention and Response***

- ❑ On paved surfaces, clean up spills with as little water as possible. Use a rag for small spills, a damp mop for general cleanup, and absorbent material for larger spills. If the spilled material is hazardous, then the used cleanup materials are also hazardous and must be sent to a certified laundry (rags) or disposed of as hazardous waste.
- ❑ Never hose down or bury dry material spills. Sweep up the material and dispose of properly.
- ❑ Use adsorbent materials on small spills rather than hosing down the spill. Remove the adsorbent materials promptly and dispose of properly.
- ❑ For larger spills, a private spill cleanup company or Hazmat team may be necessary.
- ❑ See SC-11 Spill Prevention Control and Cleanup.



## ***Employee Training Program***

- ❑ Training of technical staff in identifying and documenting illegal dumping incidents is required. The frequency of training must be presented in the SWPPP, and depends on site-specific industrial materials and activities.
- ❑ Consider posting a quick reference table near storm drains to reinforce training.
- ❑ Train employees to identify non-stormwater discharges and report discharges to the appropriate departments.
- ❑ Educate employees about spill prevention and cleanup.
- ❑ Well-trained employees can reduce human errors that lead to accidental releases or spills. The employee should have the tools and knowledge to immediately begin cleaning up a spill should one occur. Employees should be familiar with the Spill Prevention Control and Countermeasure Plan. Employees should be able to identify work/jobs with high potential for spills and suggest methods to reduce possibility.
- ❑ Determine and implement appropriate outreach efforts to reduce non-permissible non-stormwater discharges.

- ☐ Conduct spill response drills annually (if no events occurred) in order to evaluate the effectiveness of the plan.
- ☐ When a responsible party is identified, educate the party on the impacts of his or her actions.



## **Quality Assurance and Record Keeping**

### *Performance Evaluation*

- ☐ Annually review internal investigation results; assess whether goals were met and what changes or improvements are necessary.
- ☐ Obtain feedback from personnel assigned to respond to, or inspect for, illicit connections and illegal dumping incidents.
- ☐ Develop document and data management procedures.
- ☐ A database is useful for defining and tracking the magnitude and location of the problem.
- ☐ Report prohibited non-stormwater discharges observed during the course of normal daily activities so they can be investigated, contained, and cleaned up or eliminated.
- ☐ Document that non-stormwater discharges have been eliminated by recording tests performed, methods used, dates of testing, and any on-site drainage points observed.
- ☐ Annually document and report the results of the program.
- ☐ Maintain documentation of illicit connection and illegal dumping incidents, including significant conditionally exempt discharges that are not properly managed.
- ☐ Document training activities.

## **Potential Limitations and Work-Arounds**

Some facilities may have space constraints, limited staffing and time limitations that may preclude implementation of BMPs. Provided below are typical limitations and recommended “work-arounds.”

- ☐ Many facilities do not have accurate, up-to-date ‘as-built’ plans or drawings which may be necessary in order to conduct non-stormwater discharge assessments.
  - ✓ Online tools such as Google Earth™ can provide an aerial view of the facility and may be useful in understanding drainage patterns and potential sources of non-stormwater discharges
  - ✓ Local municipal jurisdictions may have useful drainage systems maps.

- ❑ Video surveillance cameras are commonly used to secure the perimeter of industrial facilities against break-ins and theft. These surveillance systems may also be useful for capturing illegal dumping activities. Minor, temporary adjustments to the field of view of existing surveillance camera systems to target known or suspected problem areas may be a cost-effective way of capturing illegal dumping activities and identifying the perpetrators.

## Potential Capital Facility Costs and Operation & Maintenance Requirements

### *Facilities*

- ❑ Capital facility cost requirements may be minimal unless cross-connections to storm drains are detected.
- ❑ Indoor floor drains may require re-plumbing if cross-connections are detected.
- ❑ Leaky sanitary sewers will require repair or replacement which can have significant costs depending on the size and industrial activity at the facility.

### *Maintenance (including administrative and staffing)*

- ❑ The primary effort is for staff time and depends on how aggressively a program is implemented.
- ❑ Costs for containment, and disposal of any leak or discharge is borne by the Discharger.
- ❑ Illicit connections can be difficult to locate especially if there is groundwater infiltration.
- ❑ Illegal dumping and illicit connection violations requires technical staff to detect and investigate them.

## Supplemental Information

### *Permit Requirements*

The IGP authorizes certain Non-Storm Water Discharges (NSWDs) provided BMPs are included in the SWPPP and implemented to:

- ❑ Reduce or prevent the contact of authorized NSWDs with materials or equipment that are potential sources of pollutants;
- ❑ Reduce, to the extent practicable, the flow or volume of authorized NSWDs;
- ❑ Ensure that authorized NSWDs do not contain quantities of pollutants that cause or contribute to an exceedance of a water quality standards (WQS); and,

- Reduce or prevent discharges of pollutants in authorized NSWs in a manner that reflects best industry practice considering technological availability and economic practicability and achievability.”

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## Description

Many activities that occur at an industrial or commercial site have the potential to cause accidental spills. Preparation for accidental spills, with proper training and reporting systems implemented, can minimize the discharge of pollutants to the environment.

Spills and leaks are one of the largest contributors of stormwater pollutants. Spill prevention and control plans are applicable to any site at which hazardous materials are stored or used. An effective plan should have spill prevention and response procedures that identify hazardous material storage areas, specify material handling procedures, describe spill response procedures, and provide locations of spill clean-up equipment and materials. The plan should take steps to identify and characterize potential spills, eliminate and reduce spill potential, respond to spills when they occur in an effort to prevent pollutants from entering the stormwater drainage system, and train personnel to prevent and control future spills. An adequate supply of spill clean-up materials must be maintained onsite.

## Approach

### General Pollution Prevention Protocols

- ☐ Develop procedures to prevent/mitigate spills to storm drain systems.
- ☐ Develop and standardize reporting procedures, containment, storage, and disposal activities, documentation, and follow-up procedures.
- ☐ Establish procedures and/or controls to minimize spills and leaks. The procedures should address:
  - ✓ Description of the facility, owner and address, activities, chemicals, and quantities present;

### Objectives

- Cover
- Contain
- Educate
- Reduce/Minimize
- Product Substitution

### Targeted Constituents

Sediment

Nutrients

Trash

Metals ✓

Bacteria

Oil and Grease ✓

Organics ✓

### Minimum BMPs Covered



Good Housekeeping



Preventative Maintenance



Spill and Leak Prevention and Response ✓



Material Handling & Waste Management



Erosion and Sediment Controls



Employee Training Program ✓



Quality Assurance Record Keeping ✓



- ✓ Facility map of the locations of industrial materials;
  - ✓ Notification and evacuation procedures;
  - ✓ Cleanup instructions;
  - ✓ Identification of responsible departments; and
  - ✓ Identify key spill response personnel.
- Recycle, reclaim, or reuse materials whenever possible. This will reduce the amount of process materials that are brought into the facility.



## ***Spill and Leak Prevention and Response***

### ***Spill Prevention***

- Develop procedures to prevent/mitigate spills to storm drain systems. Develop and standardize reporting procedures, containment, storage, and disposal activities, documentation, and follow-up procedures.
- If illegal dumping is observed at the facility:
  - ✓ Post “No Dumping” signs with a phone number for reporting illegal dumping and disposal. Signs should also indicate fines and penalties applicable for illegal dumping.
  - ✓ Landscaping and beautification efforts may also discourage illegal dumping.
  - ✓ Bright lighting and/or entrance barriers may also be needed to discourage illegal dumping.
- Store and contain liquid materials in such a manner that if the container is ruptured, the contents will not discharge, flow, or be washed into the storm drainage system, surface waters, or groundwater.
- If the liquid is oil, gas, or other material that separates from and floats on water, install a spill control device (such as a tee section) in the catch basins that collect runoff from the storage tank area.



### ***Preventative Maintenance***

- Place drip pans or absorbent materials beneath all mounted taps, and at all potential drip and spill locations during filling and unloading of tanks. Any collected liquids or soiled absorbent materials must be reused/recycled or properly disposed.
- Store and maintain appropriate spill cleanup materials in a location known to all near the tank storage area; and ensure that employees are familiar with the site’s spill control plan and/or proper spill cleanup procedures.

- ❑ Sweep and clean the storage area monthly if it is paved, *do not hose down the area to a storm drain*.
- ❑ Check tanks (and any containment sumps) daily for leaks and spills. Replace tanks that are leaking, corroded, or otherwise deteriorating with tanks in good condition. Collect all spilled liquids and properly dispose of them.
- ❑ Label all containers according to their contents (e.g., solvent, gasoline).
- ❑ Label hazardous substances regarding the potential hazard (corrosive, radioactive, flammable, explosive, poisonous).
- ❑ Prominently display required labels on transported hazardous and toxic materials (per US DOT regulations).
- ❑ Identify key spill response personnel.

## *Spill Response*

- ❑ Clean up leaks and spills immediately.
- ❑ Place a stockpile of spill cleanup materials where it will be readily accessible (e.g., near storage and maintenance areas).
- ❑ On paved surfaces, clean up spills with as little water as possible.
  - ✓ Use a rag for small spills, a damp mop for general cleanup, and absorbent material for larger spills.
  - ✓ If the spilled material is hazardous, then the used cleanup materials are also hazardous and must be sent to a certified laundry (rags) or disposed of as hazardous waste.
  - ✓ If possible use physical methods for the cleanup of dry chemicals (e.g., brooms, shovels, sweepers, or vacuums).
- ❑ Never hose down or bury dry material spills. Sweep up the material and dispose of properly.
- ❑ Chemical cleanups of material can be achieved with the use of adsorbents, gels, and foams. Use adsorbent materials on small spills rather than hosing down the spill. Remove the adsorbent materials promptly and dispose of properly.
- ❑ For larger spills, a private spill cleanup company or Hazmat team may be necessary.

## *Reporting*

- ❑ Report spills that pose an immediate threat to human health or the environment to the Regional Water Quality Control Board or local authority as location regulations dictate.
- ❑ Federal regulations require that any oil spill into a water body or onto an adjoining shoreline be reported to the National Response Center (NRC) at 800-424-8802 (24 hour).
- ❑ Report spills to 911 for dispatch and clean-up assistance when needed. Do not contact fire agencies directly.
- ❑ Establish a system for tracking incidents. The system should be designed to identify the following:
  - ✓ Types and quantities (in some cases) of wastes;
  - ✓ Patterns in time of occurrence (time of day/night, month, or year);
  - ✓ Mode of dumping (abandoned containers, “midnight dumping” from moving vehicles, direct dumping of materials, accidents/spills);
  - ✓ Clean-up procedures; and
  - ✓ Responsible parties.



## ***Employee Training Program***

- ❑ Educate employees about spill prevention and cleanup.
- ❑ Well-trained employees can reduce human errors that lead to accidental releases or spills:
  - ✓ The employee should have the tools and knowledge to immediately begin cleaning up a spill should one occur; and
  - ✓ Employees should be familiar with the Spill Prevention Control and Countermeasure Plan.
- ❑ Employees should be educated about aboveground storage tank requirements. Employees responsible for aboveground storage tanks and liquid transfers should be thoroughly familiar with the Spill Prevention Control and Countermeasure Plan and the plan should be readily available.
- ❑ Train employees to recognize and report illegal dumping incidents.

## ***Other Considerations (Limitations and Regulations)***

- ❑ State regulations exist for facilities with a storage capacity of 10,000 gallons or more of petroleum to prepare a Spill Prevention Control and Countermeasure (SPCC) Plan (Health & Safety Code Chapter 6.67).
- ❑ State regulations also exist for storage of hazardous materials (Health & Safety Code Chapter 6.95), including the preparation of area and business plans for emergency response to the releases or threatened releases.
- ❑ Consider requiring smaller secondary containment areas (less than 200 sq. ft.) to be connected to the sanitary sewer, prohibiting any hard connections to the storm drain.

## **Requirements**

### ***Costs (including capital and operation & maintenance)***

- ❑ Will vary depending on the size of the facility and the necessary controls.
- ❑ Prevention of leaks and spills is inexpensive. Treatment and/or disposal of contaminated soil or water can be quite expensive.

### ***Maintenance (including administrative and staffing)***

- ❑ Develop spill prevention and control plan, provide and document training, conduct inspections of material storage areas, and supply spill kits.
- ❑ Extra time is needed to properly handle and dispose of spills, which results in increased labor costs.

## **Supplemental Information**

### ***Further Detail of the BMP***

#### ***Reporting***

Record keeping and internal reporting represent good operating practices because they can increase the efficiency of the facility and the effectiveness of BMPs. A good record keeping system helps the facility minimize incident recurrence, correctly respond with appropriate cleanup activities, and comply with legal requirements. A record keeping and reporting system should be set up for documenting spills, leaks, and other discharges, including discharges of hazardous substances in reportable quantities. Incident records describe the quality and quantity of non-stormwater discharges to the storm sewer. These records should contain the following information:

- ❑ Date and time of the incident;
- ❑ Weather conditions;
- ❑ Duration of the spill/leak/discharge;

- ☐ Cause of the spill/leak/discharge;
- ☐ Response procedures implemented;
- ☐ Persons notified; and
- ☐ Environmental problems associated with the spill/leak/discharge.

Separate record keeping systems should be established to document housekeeping and preventive maintenance inspections, and training activities. All housekeeping and preventive maintenance inspections should be documented. Inspection documentation should contain the following information:

- ☐ Date and time the inspection was performed;
- ☐ Name of the inspector;
- ☐ Items inspected;
- ☐ Problems noted;
- ☐ Corrective action required; and
- ☐ Date corrective action was taken.

Other means to document and record inspection results are field notes, timed and dated photographs, videotapes, and drawings and maps.

### *Aboveground Tank Leak and Spill Control*

Accidental releases of materials from aboveground liquid storage tanks present the potential for contaminating stormwater with many different pollutants. Materials spilled, leaked, or lost from tanks may accumulate in soils or on impervious surfaces and be carried away by stormwater runoff.

The most common causes of unintentional releases are:

- ☐ Installation problems;
- ☐ Failure of piping systems (pipes, pumps, flanges, couplings, hoses, and valves);
- ☐ External corrosion and structural failure;
- ☐ Spills and overfills due to operator error; and
- ☐ Leaks during pumping of liquids or gases from truck or rail car to a storage tank or vice versa.

Storage of reactive, ignitable, or flammable liquids should comply with the Uniform Fire Code and the National Electric Code. Practices listed below should be employed to enhance the code requirements:

- ☐ Tanks should be placed in a designated area.
- ☐ Tanks located in areas where firearms are discharged should be encapsulated in concrete or the equivalent.
- ☐ Designated areas should be impervious and paved with Portland cement concrete, free of cracks and gaps, in order to contain leaks and spills.
- ☐ Liquid materials should be stored in UL approved double walled tanks or surrounded by a curb or dike to provide the volume to contain 10 percent of the volume of all of the containers or 110 percent of the volume of the largest container, whichever is greater. The area inside the curb should slope to a drain.
- ☐ For used oil or dangerous waste, a dead-end sump should be installed in the drain.
- ☐ All other liquids should be drained to the sanitary sewer if available. The drain must have a positive control such as a lock, valve, or plug to prevent release of contaminated liquids.
- ☐ Accumulated stormwater in petroleum storage areas should be passed through an oil/water separator.

Maintenance is critical to preventing leaks and spills. Conduct routine inspections and:

- ☐ Check for external corrosion and structural failure.
- ☐ Check for spills and overfills due to operator error.
- ☐ Check for failure of piping system (pipes, pumps, flanges, coupling, hoses, and valves).
- ☐ Check for leaks or spills during pumping of liquids or gases from truck or rail car to a storage facility or vice versa.
- ☐ Visually inspect new tank or container installation for loose fittings, poor welding, and improper or poorly fitted gaskets.
- ☐ Inspect tank foundations, connections, coatings, and tank walls and piping system. Look for corrosion, leaks, cracks, scratches, and other physical damage that may weaken the tank or container system.
- ☐ Frequently relocate accumulated stormwater during the wet season.

- Periodically conduct integrity testing by a qualified professional.

## *Vehicle Leak and Spill Control*

Major spills on roadways and other public areas are generally handled by highly trained Hazmat teams from local fire departments or environmental health departments. The measures listed below pertain to leaks and smaller spills at vehicle maintenance shops.

In addition to implementing the spill prevention, control, and clean up practices above, use the following measures related to specific activities:

## *Vehicle and Equipment Maintenance*

- Perform all vehicle fluid removal or changing inside or under cover to prevent the run-on of stormwater and the runoff of spills.
- Regularly inspect vehicles and equipment for leaks, and repair immediately.
- Check incoming vehicles and equipment (including delivery trucks, and employee and subcontractor vehicles) for leaking oil and fluids. Do not allow leaking vehicles or equipment onsite.
- Always use secondary containment, such as a drain pan or drop cloth, to catch spills or leaks when removing or changing fluids.
- Immediately drain all fluids from wrecked vehicles.
- Store wrecked vehicles or damaged equipment under cover.
- Place drip pans or absorbent materials under heavy equipment when not in use.
- Use absorbent materials on small spills rather than hosing down the spill.
- Remove the adsorbent materials promptly and dispose of properly.
- Promptly transfer used fluids to the proper waste or recycling drums. Don't leave full drip pans or other open containers lying around.
- Oil filters disposed of in trashcans or dumpsters can leak oil and contaminate stormwater. Place the oil filter in a funnel over a waste oil recycling drum to drain excess oil before disposal. Oil filters can also be recycled. Ask your oil supplier or recycler about recycling oil filters.
- Store cracked batteries in a non-leaking secondary container. Do this with all cracked batteries, even if you think all the acid has drained out. If you drop a battery, treat it as if it is cracked. Put it into the containment area until you are sure it is not leaking.



## *Vehicle and Equipment Fueling*

- Design the fueling area to prevent the run-on of stormwater and the runoff of spills:

Cover fueling area if possible.

Use a perimeter drain or slope pavement inward with drainage to a sump.

Pave fueling area with concrete rather than asphalt.

- If dead-end sump is not used to collect spills, install an oil/water separator.
- Install vapor recovery nozzles to help control drips as well as air pollution.
- Discourage “topping-off” of fuel tanks.
- Use secondary containment when transferring fuel from the tank truck to the fuel tank.
- Use absorbent materials on small spills and general cleaning rather than hosing down the area. Remove the absorbent materials promptly.
- Carry out all Federal and State requirements regarding underground storage tanks, or install above ground tanks.
- Do not use mobile fueling of mobile industrial equipment around the facility; rather, transport the equipment to designated fueling areas.
- Keep your Spill Prevention Control and Countermeasure (SPCC) Plan up-to-date.
- Train employees in proper fueling and cleanup procedures.

## ***Industrial Spill Prevention Response***

For the purposes of developing a spill prevention and response program to meet the stormwater regulations, facility managers should use information provided in this fact sheet and the spill prevention/response portions of the fact sheets in this handbook, for specific activities.

The program should:

- Integrate with existing emergency response/hazardous materials programs (e.g., Fire Department).
- Develop procedures to prevent/mitigate spills to storm drain systems.
- Identify responsible departments.

- ❑ Develop and standardize reporting procedures, containment, storage, and disposal activities, documentation, and follow-up procedures.
- ❑ Address spills at municipal facilities, as well as public areas.
- ❑ Provide training concerning spill prevention, response and cleanup to all appropriate personnel.

## References and Resources

California's Nonpoint Source Program Plan. <http://www.swrcb.ca.gov/nps/index.html>.

Clark County Storm Water Pollution Control Manual. Available online at:  
<http://www.co.clark.wa.us/pubworks/bmpman.pdf>.

King County Storm Water Pollution Control Manual. Available online at:  
<http://dnr.metrokc.gov/wlr/dss/spcm.htm>.

Orange County Stormwater Program, Best Management Practices for Industrial/Commercial Business Activities. Available online at:  
<http://ocwatersheds.com/documents/bmp/industrialcommercialbusinessesactivities>

Santa Clara Valley Urban Runoff Pollution Prevention Program.  
<http://www.scvurppp.org>.

The Stormwater Managers Resource Center. <http://www.stormwatercenter.net/>.

## Description

Improper storage and handling of solid wastes can allow toxic compounds, oils and greases, heavy metals, nutrients, suspended solids, and other pollutants to enter stormwater runoff. The discharge of pollutants to stormwater from waste handling and disposal can be prevented and reduced by tracking waste generation, storage, and disposal; reducing waste generation and disposal through source reduction, reuse, and recycling; and preventing run-on and runoff.

## Approach

Reduce potential for pollutant discharge through source control pollution prevention and BMP implementation. Successful implementation depends on effective training of employees on applicable BMPs and general pollution prevention strategies and objectives.

## General Pollution Prevention Protocols

- Accomplish reduction in the amount of waste generated using the following source controls:
  - ✓ Production planning and sequencing;
  - ✓ Process or equipment modification;
  - ✓ Raw material substitution or elimination;
  - ✓ Loss prevention and housekeeping;
  - ✓ Waste segregation and separation; and
  - ✓ Close loop recycling.
- Establish a material tracking system to increase awareness about material usage. This may reduce spills and minimize contamination, thus reducing the amount of waste produced.
- Recycle materials whenever possible.

## Objectives

- Cover
- Contain
- Educate
- Reduce/Minimize
- Product Substitution

## Targeted Constituents

Sediment

Nutrients

Trash

Metals ✓

Bacteria ✓

Oil and Grease ✓

Organics ✓

## Minimum BMPs Covered

- |   |  |   |
|---|--|---|
|    | Good Housekeeping                      | ✓ |
|   | Preventative Maintenance               | ✓ |
|  | Spill and Leak Prevention and Response | ✓ |
|  | Material Handling & Waste Management   | ✓ |
|  | Erosion and Sediment Controls          |   |
|  | Employee Training Program              | ✓ |
|  | Quality Assurance Record Keeping       | ✓ |



- ❑ Use the entire product before disposing of the container.
- ❑ To the extent possible, store wastes under cover or indoors after ensuring all safety concerns such as fire hazard and ventilation are addressed.
- ❑ Provide containers for each waste stream at each work station. Allow time after shift to clean area.



## ***Good Housekeeping***

- ❑ Cover storage containers with leak proof lids or some other means. If waste is not in containers, cover all waste piles (plastic tarps are acceptable coverage) and prevent stormwater run-on and runoff with a berm. The waste containers or piles must be covered except when in use.
- ❑ Use drip pans or absorbent materials whenever grease containers are emptied by vacuum trucks or other means. Grease cannot be left on the ground. Collected grease must be properly disposed of as garbage.
- ❑ Dispose of rinse and wash water from cleaning waste containers into a sanitary sewer if allowed by the local sewer authority. Do not discharge wash water to the street or storm drain. Clean in a designated wash area that drains to a clarifier.
- ❑ Transfer waste from damaged containers into safe containers.
- ❑ Take special care when loading or unloading wastes to minimize losses. Loading systems can be used to minimize spills and fugitive emission losses such as dust or mist. Vacuum transfer systems can minimize waste loss.
- ❑ Keep the waste management area clean at all times by sweeping and cleaning up spills immediately.
- ❑ Use dry methods when possible (e.g., sweeping, use of absorbents) when cleaning around restaurant/food handling dumpster areas. If water must be used after sweeping/using absorbents, collect water and discharge through grease interceptor to the sewer.
- ❑ Stencil or demarcate storm drains on the facility's property with prohibitive message regarding waste disposal.
- ❑ Cover waste piles with temporary covering material such as reinforced tarpaulin, polyethylene, polyurethane, polypropylene or hypalon.
- ❑ If possible, move the activity indoor after ensuring all safety concerns such as fire hazard and ventilation are addressed.



## ***Preventative Maintenance***

- ❑ Prevent stormwater run-on from entering the waste management area by enclosing the area or building a berm around the area.
- ❑ Prevent waste materials from directly contacting rain.

- ☐ Cover waste piles with temporary covering material such as reinforced tarpaulin, polyethylene, polyurethane, polypropylene or hypalon.
- ☐ Cover the area with a permanent roof if feasible.
- ☐ Cover dumpsters to prevent rain from washing waste out of holes or cracks in the bottom of the dumpster.
- ☐ Check waste containers weekly for leaks and to ensure that lids are on tightly. Replace any that are leaking, corroded, or otherwise deteriorating.
- ☐ Sweep and clean the waste management area regularly. Use dry methods when possible (e.g., sweeping, vacuuming, use of absorbents) when cleaning around restaurant/food handling dumpster areas. If water must be used after sweeping/using absorbents, collect water and discharge through grease interceptor to the sewer.
- ☐ Inspect and replace faulty pumps or hoses regularly to minimize the potential of releases and spills.
- ☐ Repair leaking equipment including valves, lines, seals, or pumps promptly.



### ***Spill Response and Prevention Procedures***

- ☐ Keep your spill prevention and plan up-to-date.
- ☐ Have an emergency plan, equipment and trained personnel ready at all times to deal immediately with major spills.
- ☐ Collect all spilled liquids and properly dispose of them.
- ☐ Store and maintain appropriate spill cleanup materials in a location known to all near the designated wash area.
- ☐ Ensure that vehicles transporting waste have spill prevention equipment that can prevent spills during transport. Spill prevention equipment includes:
  - ✓ Vehicles equipped with baffles for liquid waste; and
  - ✓ Trucks with sealed gates and spill guards for solid waste.



### ***Material Handling and Waste Management***

#### ***Litter Control***

- ☐ Post “No Littering” signs and enforce anti-litter laws.
- ☐ Provide a sufficient number of litter receptacles for the facility.
- ☐ Clean out and cover litter receptacles frequently to prevent spillage.

#### ***Waste Collection***

- ☐ Keep waste collection areas clean.

- ☐ Inspect solid waste containers for structural damage regularly. Repair or replace damaged containers as necessary.
- ☐ Secure solid waste containers; containers must be closed tightly when not in use.
- ☐ Do not fill waste containers with washout water or any other liquid.
- ☐ Ensure that only appropriate solid wastes are added to the solid waste container. Certain wastes such as hazardous wastes, appliances, fluorescent lamps, pesticides, etc., may not be disposed of in solid waste containers (see chemical/ hazardous waste collection section below).
- ☐ Do not mix wastes; this can cause chemical reactions, make recycling impossible, and complicate disposal. Affix labels to all waste containers.

## *Chemical/Hazardous Wastes*

- ☐ Select designated hazardous waste collection areas on-site.
- ☐ Store hazardous materials and wastes in covered containers and protect them from vandalism.
- ☐ Place hazardous waste containers in secondary containment.
- ☐ Make sure that hazardous waste is collected, removed, and disposed of only at authorized disposal areas.
- ☐ Hazardous waste cannot be reused or recycled; it must be disposed of by a licensed hazardous waste hauler.



## **Employee Training Program**

- ☐ Educate employees about pollution prevention measures and goals.
- ☐ Train employees how to properly handle and dispose of waste using the source control BMPs described above.
- ☐ Train employees and subcontractors in proper hazardous waste management.
- ☐ Use a training log or similar method to document training.
- ☐ Ensure that employees are familiar with the site's spill control plan and/or proper spill cleanup procedures.



## **Quality Assurance and Record Keeping**

- ☐ Keep accurate maintenance logs that document minimum BMP activities performed for waste handling and disposal, types and quantities of waste disposed of, and any improvement actions.
- ☐ Keep accurate logs of spill response actions that document what was spilled, how it was cleaned up, and how the waste was disposed.

- Establish procedures to complete logs and file them in the central office.

## Potential Capital Facility Costs and Operation & Maintenance Requirements

### Facilities

- Capital costs will vary substantially depending on the size of the facility and the types of waste handled. Significant capital costs may be associated with reducing wastes by modifying processes or implementing closed-loop recycling.
- Many facilities will already have indoor covered areas where waste materials will be stored and will require no additional capital expenditures for providing cover.
- If outdoor storage of wastes is required, construction of berms or other means to prevent stormwater run-on and runoff may require appropriate constructed systems for containment.
- Capital investments will likely be required at some sites if adequate cover and containment facilities do not exist and can vary significantly depending upon site conditions.

### Maintenance

- Check waste containers weekly for leaks and to ensure that lids are on tightly. Replace any that are leaking, corroded, or otherwise deteriorating.
- Sweep and clean the waste management area regularly. Use dry methods when possible (e.g., sweeping, use of absorbents) when cleaning around restaurant/food handling dumpster areas. If water must be used after sweeping/using absorbents, collect water and discharge through grease interceptor to the sewer.
- Inspect and replace faulty pumps or hoses regularly to minimize the potential of releases and spills.
- Repair leaking equipment including valves, lines, seals, or pumps promptly.

## References and Resources

Minnesota Pollution Control Agency, *Industrial Stormwater Best Management Practices Guidebook*. Available online at: <http://www.pca.state.mn.us/index.php/view-document.html?gid=10557>.

New Jersey Department of Environmental Protection, 2013. *Basic Industrial Stormwater General Permit Guidance Document NJPDES General Permit No NJ0088315*, Revised. Available online at: [http://www.nj.gov/dep/dwq/pdf/5G2\\_guidance\\_color.pdf](http://www.nj.gov/dep/dwq/pdf/5G2_guidance_color.pdf).

Orange County Stormwater Program, Best Management Practices for Industrial/Commercial Business Activities. Available online at: <http://ocwatersheds.com/documents/bmp/industrialcommercialbusinessesactivities>

Oregon Department of Environmental Quality, 2013. *Industrial Stormwater Best Management Practices Manual- BMP 26 Fueling and Liquid Loading/Unloading Operations*. Available online at:  
<http://www.deq.state.or.us/wq/wqpermit/docs/IndBMP021413.pdf>.

Sacramento Stormwater Management Program. *Best Management Practices for Industrial Storm Water Pollution Control*. Available online at:  
<http://www.msa.saccounty.net/sactostormwater/documents/guides/industrial-BMP-manual.pdf>.

Sacramento County Environmental Management Stormwater Program: Best Management Practices. Available online at:  
<http://www.emd.saccounty.net/EnvHealth/Stormwater/Stormwater-BMPs.html>.

Santa Clara Valley Urban Runoff Pollution Prevention Program. <http://www.scvurppp-w2k.com/>

US EPA. National Pollutant Discharge Elimination System – Industrial Fact Sheet Series for Activities Covered by EPA’s Multi Sector General Permit. Available online at:  
<http://cfpub.epa.gov/npdes/stormwater/swsectors.cfm>.



## Description

Promote the use of less harmful products and products that contain little or no TMDL and 303(d) list pollutants. Alternatives exist for most product classes including chemical fertilizers, pesticides, cleaning solutions, janitorial chemicals, automotive and paint products, and consumables (batteries, fluorescent lamps).

## Approach

Pattern a new program after the many established programs around the state and country. Integrate this best management practice as much as possible with existing programs at your facility.

Develop a comprehensive program based on:

- ❑ The “Precautionary Principle,” which is an alternative to the “Risk Assessment” model that says it’s acceptable to use a potentially harmful product until physical evidence of its harmful effects are established and deemed too costly from an environmental or public health perspective. For instance, a risk assessment approach might say it’s acceptable to use a pesticide until there is direct proof of an environmental impact. The Precautionary Principle approach is used to evaluate whether a given product is safe, whether it is really necessary, and whether alternative products would perform just as well.
- ❑ Environmentally Preferable Purchasing Program to minimize the purchase of products containing hazardous ingredients used in the facility’s custodial services, fleet maintenance, and facility maintenance in favor of using alternate products that pose less risk to employees and to the environment.
- ❑ Integrated Pest Management (IPM) or Less-Toxic Pesticide Program, which uses a pest management approach that minimizes the use of toxic chemicals and gets rid of pests

## Objectives

- *Educate*
- *Reduce/Minimize*
- *Product Substitution*

## Targeted Constituents

<i>Sediment</i>	
<i>Nutrients</i>	✓
<i>Trash</i>	
<i>Metals</i>	✓
<i>Bacteria</i>	
<i>Oil and Grease</i>	✓
<i>Organics</i>	✓

## Minimum BMPs Covered

	<i>Good Housekeeping</i>	
	<i>Preventative Maintenance</i>	
	<i>Spill and Leak Prevention and Response</i>	
	<i>Material Handling &amp; Waste Management</i>	
	<i>Erosion and Sediment Controls</i>	
	<i>Employee Training Program</i>	✓
	<i>Quality Assurance Record Keeping</i>	



by methods that pose a lower risk to employees, the public, and the environment.

- ❑ Energy Efficiency Program including no-cost and low-cost energy conservation and efficiency actions that can reduce both energy consumption and electricity bills, along with long-term energy efficiency investments.

Consider the following mechanisms for developing and implementing a comprehensive program:

- ❑ Policies
- ❑ Procedures
  - ✓ Standard operating procedures (SOPs);
  - ✓ Purchasing guidelines and procedures; and
  - ✓ Bid packages (services and supplies).
- ❑ Materials
  - ✓ Preferred or approved product and supplier lists;
  - ✓ Product and supplier evaluation criteria;
  - ✓ Training sessions and manuals; and
  - ✓ Fact sheets for employees.

Implement this BMP in conjunction with the Vehicle and Equipment Management fact sheets (SC-20 – SC-22) and SC-41 Building and Grounds Maintenance.



## ***Employee Training Program***

- ❑ Employees who handle potentially harmful materials should be trained in the use of safer alternatives.
- ❑ Purchasing departments should be trained on safer alternative products and encouraged to procure less hazardous materials and products that contain little or no harmful substances or TMDL pollutants.
- ❑ Employees and contractors / service providers can both be educated about safer alternatives by using information developed by a number of organizations including the references and resources provided in this fact sheet.

## **Potential Limitations and Work-Arounds**

Some facilities may have space constraints, limited staffing and time limitations that may preclude implementation of BMPs. Provided below are typical limitations and recommended “work-arounds”

- ❑ Alternative products may not be available, suitable, or effective in every case.

- ✓ Minimize use of hazardous/harmful products if no alternative product is available.

## Regulatory Considerations

This BMP has no regulatory requirements unless local/municipal ordinance applies. Existing regulations already encourage facilities to reduce the use of hazardous materials through incentives such as reduced:

- Specialized equipment storage and handling requirements;
- Storm water runoff sampling requirements;
- Training and licensing requirements; and
- Record keeping and reporting requirements.

## Cost Considerations

- The primary cost is for staff time to: 1) develop new policies and procedures and 2) educate purchasing departments and employees who handle potentially harmful materials about the availability, procurement, and use of safer alternatives.
- Some alternative products may be slightly more expensive than conventional products.

## Supplemental Information

The following discussion provides some general information on safer alternatives. More specific information on particular hazardous materials and the available alternatives may be found in the references and resources listed below.

- Automotive products – Less toxic alternatives are not available for many automotive products, especially engine fluids. But there are alternatives to grease lubricants, car polishes, degreasers, and windshield washer solution. Refined motor oil is also available.
- Vehicle/Trailer lubrication – Fifth wheel bearings on trucks require routine lubrication. Adhesive lubricants are available to replace typical chassis grease.
- Cleaners – Vegetables-based or citrus-based soaps are available to replace petroleum-based soaps/detergents.
- Paint products – Water-based paints, wood preservatives, stains, and finishes with low VOC content are available.
- Pesticides – Specific alternative products or methods exist to control most insects, fungi, and weeds.
- Chemical Fertilizers – Compost and soil amendments are natural alternatives.
- Consumables – Manufacturers have either reduced or are in the process of reducing the amount of heavy metals in consumables such as batteries and fluorescent lamps.

All fluorescent lamps contain mercury, however low-mercury containing lamps are now available from most hardware and lighting stores. Fluorescent lamps are also more energy efficient than the average incandescent lamp.

- Janitorial chemicals – Even biodegradable soap can harm fish and wildlife before it biodegrades. Biodegradable does not mean non-toxic. Safer products and procedures are available for floor stripping and cleaning, as well as carpet, glass, metal, and restroom cleaning and disinfecting. Use paper products with post-consumer recycled content and implement electric hand dryers.

## ***Examples***

There are a number of business and trade associations, and communities with effective programs. Some of the more prominent are listed below in the references and resources section.

## **References and Resources**

Note: Many of these references provide alternative products for materials that typically are used inside and disposed to the sanitary sewer as well as alternatives to products that usually end up in the storm drain.

### ***General Sustainable Practices and Pollution Prevention Including Pollutant-Specific Information***

California Department of Toxic Substances Control,  
<http://www.dtsc.ca.gov/PollutionPrevention/GreenTechnology/Index.cfm>.

CalRecycle, <http://www.calrecycle.ca.gov/Business/Regulated.htm>.

City of Santa Monica Office of Sustainability and Environment,  
<http://www.smgov.net/departments/ose/>.

City of Palo Alto, <http://www.city.palo-alto.ca.us/cleanbay>.

City and County of San Francisco, Department of the Environment,  
<http://www.sfenvironment.org/toxics-health/greener-business-practices>.

Green Business Program, <http://www.greenbiz.ca.gov/GRlocal.html>.

Product Stewardship Institute, <http://www.productstewardship.us/index.cfm>.

Sacramento Clean Water Business Partners.  
<http://www.sacstormwater.org/CleanWaterBusinessPartners/CleanWaterBusinessPartners.html>.

USEPA. National Pollutant Discharge Elimination System (NPDES) Stormwater Discharges From Industrial Facilities,  
<http://cfpub.epa.gov/npdes/stormwater/indust.cfm>.

USEPA Region IX Pollution Prevention Program,  
<http://www.epa.gov/region9/waste/p2/business.html>.

Western Sustainability and Pollution Prevention Network, <http://wsppn.org/>.

## ***Metals (mercury, copper)***

National Electrical Manufacturers Association – Environmental Stewardship,  
<http://www.nema.org/Policy/Environmental-Stewardship/pages/default.aspx>.

Sustainable Conservation, <http://www.suscon.org>.

Auto Recycling Project

Brake Pad Partnership

## ***Pesticides and Chemical Fertilizers***

Bio-Integral Resource Center, <http://www.birc.org>.

California Department of Pesticide Regulation,  
<http://www.cdpr.ca.gov/dprprograms.htm>.

University of California Statewide IPM Program,  
<http://www.ipm.ucdavis.edu/default.html>.

## ***Dioxins***

Bay Area Dioxins Project,  
[http://www.abag.ca.gov/bayarea/dioxin/project\\_materials.htm](http://www.abag.ca.gov/bayarea/dioxin/project_materials.htm).

## Description

Stormwater runoff from building and grounds maintenance activities can be contaminated with toxic hydrocarbons in solvents, fertilizers and pesticides, suspended solids, heavy metals, abnormal pH, and oils and greases. Utilizing the protocols in this fact sheet will prevent or reduce the discharge of pollutants to stormwater from building and grounds maintenance activities by washing and cleaning up with as little water as possible, following good landscape management practices, preventing and cleaning up spills immediately, keeping debris from entering the storm drains, and maintaining the stormwater collection system.

## Approach

Reduce potential for pollutant discharge through source control pollution prevention and BMP implementation. Successful implementation depends on effective training of employees on applicable BMPs and general pollution prevention strategies and objectives.

## General Pollution Prevention Protocols

- ☐ Switch to non-toxic chemicals for maintenance to the maximum extent possible.
- ☐ Choose cleaning agents that can be recycled.
- ☐ Encourage proper lawn management and landscaping, including use of native vegetation.
- ☐ Encourage use of Integrated Pest Management techniques for pest control.
- ☐ Encourage proper onsite recycling of yard trimmings.
- ☐ Recycle residual paints, solvents, lumber, and other material as much as possible.

## Objectives

- Cover
- Contain
- Educate
- Reduce/Minimize
- Product Substitution

## Targeted Constituents

<i>Sediment</i>	✓
<i>Nutrients</i>	✓
<i>Trash</i>	
<i>Metals</i>	✓
<i>Bacteria</i>	✓
<i>Oil and Grease</i>	
<i>Organics</i>	

## Minimum BMPs Covered

	<i>Good Housekeeping</i>	✓
	<i>Preventative Maintenance</i>	
	<i>Spill and Leak Prevention and Response</i>	✓
	<i>Material Handling &amp; Waste Management</i>	✓
	<i>Erosion and Sediment Controls</i>	
	<i>Employee Training Program</i>	✓
	<i>Quality Assurance Record Keeping</i>	✓



- Clean work areas at the end of each work shift using dry cleaning methods such as sweeping and vacuuming.



## ***Good Housekeeping***

### *Pressure Washing of Buildings, Rooftops, and Other Large Objects*

- In situations where soaps or detergents are used and the surrounding area is paved, pressure washers must use a water collection device that enables collection of wash water and associated solids. A sump pump, wet vacuum or similarly effective device must be used to collect the runoff and loose materials. The collected runoff and solids must be disposed of properly.
- If soaps or detergents are not used, and the surrounding area is paved, wash runoff does not have to be collected but must be screened. Pressure washers must use filter fabric or some other type of screen on the ground and/or in the catch basin to trap the particles in wash water runoff.
- If you are pressure washing on a grassed area (with or without soap), runoff must be dispersed as sheet flow as much as possible, rather than as a concentrated stream. The wash runoff must remain on the grass and not drain to pavement.

### *Landscaping Activities*

- Dispose of grass clippings, leaves, sticks, or other collected vegetation as garbage, or by composting. Do not dispose of collected vegetation into waterways or storm drainage systems.
- Use mulch or other erosion control measures on exposed soils. See also SC-40, Contaminated and Erodible Areas, for more information.

### *Building Repair, Remodeling, and Construction*

- Do not dump any toxic substance or liquid waste on the pavement, the ground, or toward a storm drain.
- Use ground or drop cloths underneath outdoor painting, scraping, and sandblasting work, and properly dispose of collected material daily.
- Use a ground cloth or oversized tub for activities such as paint mixing and tool cleaning.
- Clean paintbrushes and tools covered with water-based paints in sinks connected to sanitary sewers or in portable containers that can be dumped into a sanitary sewer drain. Brushes and tools covered with non-water-based paints, finishes, or other materials must be cleaned in a manner that enables collection of used solvents (e.g., paint thinner, turpentine, etc.) for recycling or proper disposal.
- Use a storm drain cover, filter fabric, or similarly effective runoff control mechanism if dust, grit, wash water, or other pollutants may escape the work area and enter a catch basin. This is particularly necessary on rainy days. The containment device(s) must be in place at the beginning of the work day, and accumulated dirty runoff and

solids must be collected and disposed of before removing the containment device(s) at the end of the work day.

- ❑ If you need to de-water an excavation site, you may need to filter the water before discharging to a catch basin or off-site. If directed off-site, you should direct the water through hay bales and filter fabric or use other sediment filters or traps.
- ❑ Store toxic material under cover during precipitation events and when not in use. A cover would include tarps or other temporary cover material.

### *Mowing, Trimming, and Planting*

- ❑ Dispose of leaves, sticks, or other collected vegetation as garbage, by composting or at a permitted landfill. Do not dispose of collected vegetation into waterways or storm drainage systems.
- ❑ Use mulch or other erosion control measures when soils are exposed.
- ❑ Place temporarily stockpiled material away from watercourses and drain inlets, and berm or cover stockpiles to prevent material releases to the storm drain system.
- ❑ Consider an alternative approach when bailing out muddy water: do not put it in the storm drain; pour over landscaped areas.
- ❑ Use hand weeding where practical.

### *Fertilizer and Pesticide Management*

- ❑ Do not use pesticides if rain is expected.
- ❑ Do not mix or prepare pesticides for application near storm drains.
- ❑ Use the minimum amount needed for the job.
- ❑ Calibrate fertilizer distributors to avoid excessive application.
- ❑ Employ techniques to minimize off-target application (e.g., spray drift) of pesticides, including consideration of alternative application techniques.
- ❑ Apply pesticides only when wind speeds are low.
- ❑ Fertilizers should be worked into the soil rather than dumped or broadcast onto the surface.
- ❑ Irrigate slowly to prevent runoff and then only as much as is needed.
- ❑ Clean pavement and sidewalk if fertilizer is spilled on these surfaces before applying irrigation water.

### *Inspection*

- ❑ Inspect irrigation system periodically to ensure that the right amount of water is being applied and that excessive runoff is not occurring. Minimize excess watering and repair leaks in the irrigation system as soon as they are observed.





## ***Spill Response and Prevention Procedures***

- ☐ Keep your Spill Prevention Control and Countermeasure (SPCC) Plan up-to-date.
- ☐ Place a stockpile of spill cleanup materials, such as brooms, dustpans, and vacuum sweepers (if desired) near the storage area where it will be readily accessible.
- ☐ Have employees trained in spill containment and cleanup present during the loading/unloading of dangerous wastes, liquid chemicals, or other materials.
- ☐ Familiarize employees with the Spill Prevention Control and Countermeasure Plan.
- ☐ Clean up spills immediately.



## ***Material Handling and Waste Management***

- ☐ Follow all federal, state, and local laws and regulations governing the use, storage, and disposal of fertilizers and pesticides and training of applicators and pest control advisors.
- ☐ Use less toxic pesticides that will do the job when applicable. Avoid use of copper-based pesticides if possible.
- ☐ Dispose of empty pesticide containers according to the instructions on the container label.
- ☐ Use up the pesticides. Rinse containers, and use rinse water as product. Dispose of unused pesticide as hazardous waste.
- ☐ Implement storage requirements for pesticide products with guidance from the local fire department and County Agricultural Commissioner. Provide secondary containment for pesticides.



## ***Employee Training Program***

- ☐ Educate and train employees on pesticide use and in pesticide application techniques to prevent pollution.
- ☐ Train employees and contractors in proper techniques for spill containment and cleanup.
- ☐ Be sure the frequency of training takes into account the complexity of the operations and the needs of individual staff.



## ***Quality Assurance and Record Keeping***

- ☐ Keep accurate logs that document maintenance activities performed and minimum BMP measures implemented.
- ☐ Keep accurate logs of spill response actions that document what was spilled, how it was cleaned up, and how the waste was disposed.
- ☐ Establish procedures to complete logs and file them in the central office.

## Potential Capital Facility Costs and Operation & Maintenance Requirements

### *Facilities*

- Additional capital costs are not anticipated for building and grounds maintenance. Implementation of the minimum BMPs described above should be conducted as part of regular site operations.

### *Maintenance*

- Maintenance activities for the BMPs described above will be minimal, and no additional cost is anticipated.

## Supplemental Information

### *Fire Sprinkler Line Flushing*

Site fire sprinkler line flushing may be a source of non-stormwater runoff pollution. The water entering the system is usually potable water, though in some areas it may be non-potable reclaimed wastewater. There are subsequent factors that may drastically reduce the quality of the water in such systems. Black iron pipe is usually used since it is cheaper than potable piping, but it is subject to rusting and results in lower quality water. Initially, the black iron pipe has an oil coating to protect it from rusting between manufacture and installation; this will contaminate the water from the first flush but not from subsequent flushes. Nitrates, poly-phosphates and other corrosion inhibitors, as well as fire suppressants and antifreeze may be added to the sprinkler water system. Water generally remains in the sprinkler system a long time (typically a year) and between flushes may accumulate iron, manganese, lead, copper, nickel, and zinc. The water generally becomes anoxic and contains living and dead bacteria and breakdown products from chlorination. This may result in a significant BOD problem and the water often smells. Consequently dispose fire sprinkler line flush water into the sanitary sewer. Do not allow discharge to storm drain or infiltration due to potential high levels of pollutants in fire sprinkler line water.

## References and Resources

City of Seattle, Seattle Public Utilities Department of Planning and Development, 2009. *Stormwater Manual Vol. 1 Source Control Technical Requirements Manual*.

Kennedy/Jenks Consultants, 2007. *The Truckee Meadows Industrial and Commercial Storm Water Best Management Practices Handbook*. Available online at: [http://www.cityofsparks.us/sites/default/files/assets/documents/env-control/construction/TM-I-C BMP Handbook 2-07-final.pdf](http://www.cityofsparks.us/sites/default/files/assets/documents/env-control/construction/TM-I-C_BMP_Handbook_2-07-final.pdf).

Orange County Stormwater Program, Best Management Practices for Industrial/Commercial Business Activities. Available online at: <http://ocwatersheds.com/documents/bmp/industrialcommercialbusinessactivities>.

Sacramento Stormwater Management Program. *Best Management Practices for Industrial Storm Water Pollution Control*. Available online at:

<http://www.msa.saccounty.net/sactostormwater/documents/guides/industrial-BMP-manual.pdf>.

US EPA, 1997. *Best Management Practices Handbook for Hazardous Waste Containers*. Available online at: <http://www.epa.gov/region6/6en/h/handbk4.pdf>.

Ventura Countywide Stormwater Management Program Clean Business Fact Sheets. Available online at: [http://www.vcstormwater.org/documents/programs\\_business/building.pdf](http://www.vcstormwater.org/documents/programs_business/building.pdf).

## Description

Parking lots can contribute a number of substances, such as trash, suspended solids, hydrocarbons, oil and grease, and heavy metals that can enter receiving waters through stormwater runoff or non-stormwater discharges. The protocols in this fact sheet are intended to prevent or reduce the discharge of pollutants from parking areas and include using good housekeeping practices, following appropriate cleaning BMPs, and training employees.

BMPs for other outdoor areas on site (loading/unloading, material storage, and equipment operations) are described in SC-30 through SC-33.

## Approach

The goal of this program is to ensure stormwater pollution prevention practices are considered when conducting activities on or around parking areas to reduce potential for pollutant discharge to receiving waters. Successful implementation depends on effective training of employees on applicable BMPs and general pollution prevention strategies and objectives.

### General Pollution Prevention Protocols

- ☐ Encourage advanced designs and maintenance strategies for impervious parking lots. Refer to the treatment control BMP fact sheets in this manual for additional information.
- ☐ Keep accurate maintenance logs to evaluate BMP implementation.



### Good Housekeeping

- ☐ Keep all parking areas clean and orderly. Remove debris, litter, and sediments in a timely fashion.
- ☐ Post “No Littering” signs and enforce anti-litter laws.

## Objectives

- Cover
- Contain
- Educate
- Reduce/Minimize
- Product Substitution

## Targeted Constituents

<i>Sediment</i>	✓
<i>Nutrients</i>	
<i>Trash</i>	✓
<i>Metals</i>	✓
<i>Bacteria</i>	
<i>Oil and Grease</i>	✓
<i>Organics</i>	✓

## Minimum BMPs Covered

	<i>Good Housekeeping</i>	✓
	<i>Preventative Maintenance</i>	✓
	<i>Spill and Leak Prevention and Response</i>	✓
	<i>Material Handling &amp; Waste Management</i>	
	<i>Erosion and Sediment Controls</i>	
	<i>Employee Training Program</i>	✓
	<i>Quality Assurance Record Keeping</i>	✓



- ☐ Provide an adequate number of litter receptacles.
- ☐ Clean out and cover litter receptacles frequently to prevent spillage.



## ***Preventative Maintenance***

### *Inspection*

Have designated personnel conduct inspections of parking facilities and stormwater conveyance systems associated with parking facilities on a regular basis.

- ☐ Inspect cleaning equipment/sweepers for leaks on a regular basis.

### *Surface Cleaning*

- ☐ Use dry cleaning methods (e.g., sweeping, vacuuming) to prevent the discharge of pollutants into the stormwater conveyance system if possible.
- ☐ Establish frequency of public parking lot sweeping based on usage and field observations of waste accumulation.
- ☐ Sweep all parking lots at least once before the onset of the wet season.
- ☐ Dispose of parking lot sweeping debris and dirt at a landfill.
- ☐ Follow the procedures below if water is used to clean surfaces:
  - ✓ Block the storm drain or contain runoff.
  - ✓ Collect and pump wash water to the sanitary sewer or discharge to a pervious surface. Do not allow wash water to enter storm drains.
- ☐ Follow the procedures below when cleaning heavy oily deposits:
  - ✓ Clean oily spots with absorbent materials.
  - ✓ Use a screen or filter fabric over inlet, then wash surfaces.
  - ✓ Do not allow discharges to the storm drain.
  - ✓ Vacuum/pump discharges to a tank or discharge to sanitary sewer.
  - ✓ Dispose of spilled materials and absorbents appropriately.

### *Surface Repair*

- ☐ Check local ordinance for SUSMP/LID ordinance.
- ☐ Preheat, transfer or load hot bituminous material away from storm drain inlets.
- ☐ Apply concrete, asphalt, and seal coat during dry weather to prevent contamination from contacting stormwater runoff.
- ☐ Cover and seal nearby storm drain inlets where applicable (with waterproof material or mesh) and manholes before applying seal coat, slurry seal, etc. Leave covers in

place until job is complete and all water from emulsified oil sealants has drained or evaporated. Clean any debris from these covered manholes and drains for proper disposal.

- ☐ Use only as much water as necessary for dust control during sweeping to avoid runoff.
- ☐ Catch drips from paving equipment that is not in use with pans or absorbent material placed under the machines. Dispose of collected material and absorbents properly.



## ***Spill Response and Prevention Procedures***

- ☐ Keep your Spill Prevention Control and Countermeasure (SPCC) Plan up-to-date.
- ☐ Place a stockpile of spill cleanup materials where it will be readily accessible or at a central location.
- ☐ Clean up fluid spills immediately with absorbent rags or material.
- ☐ Dispose of spilled material and absorbents properly.



## ***Employee Training Program***

- ☐ Provide regular training to field employees and/or contractors regarding cleaning of paved areas and proper operation of equipment.
- ☐ Train employees and contractors in proper techniques for spill containment and cleanup.
- ☐ Use a training log or similar method to document training.



## ***Quality Assurance and Record Keeping***

- ☐ Keep accurate maintenance logs that document minimum BMP activities performed for parking area maintenance, types and quantities of waste disposed of, and any improvement actions.
- ☐ Keep accurate logs of spill response actions that document what was spilled, how it was cleaned up, and how the waste was disposed.
- ☐ Establish procedures to complete logs and file them in the central office.

## **Potential Capital Facility Costs and Operation & Maintenance Requirements**

### ***Facilities***

- ☐ Capital investments may be required at some sites to purchase sweeping equipment, train sweeper operators, install oil/water/sand separators, or implement advanced BMPs. These costs can vary significantly depending upon site conditions and the amount of BMPs required.

## ***Maintenance***

- ❑ Sweep and clean parking lots regularly to minimize pollutant transport into storm drains from stormwater runoff.
- ❑ Clean out oil/water/sand separators regularly, especially after heavy storms.
- ❑ Maintain advanced BMPs such as vegetated swales, infiltration trenches, or detention basins as appropriate. Refer to the treatment control fact sheets for more information.

## **Supplemental Information**

### ***Advanced BMPs***

Some parking areas may require advanced BMPs to further reduce pollutants in stormwater runoff, and a few examples are listed below. Refer to the Treatment Control Fact Sheets and the New Development and Redevelopment Manual for more information.

- ❑ When possible, direct sheet runoff to flow into biofilters (vegetated strip and swale) and/or infiltration devices.
- ❑ Utilize sand filters or oleophilic collectors for oily waste in low quantities.
- ❑ Arrange rooftop drains to prevent drainage directly onto paved surfaces.
- ❑ Design lot to include semi-permeable hardscape.

## **References and Resources**

City of Seattle, Seattle Public Utilities Department of Planning and Development, 2009. *Stormwater Manual Vol. 1 Source Control Technical Requirements Manual*.

California Stormwater Quality Association, 2003. *New Development and Redevelopment Stormwater Best Management Practice Handbook*. Available online at: <https://www.casqa.org/resources/bmp-handbooks/new-development-redevelopment-bmp-handbook>.

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<http://basmaa.org/Portals/0/documents/pdf/Pollution%20from%20Surface%20Cleaning.pdf>.

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The Storm Water Managers Resource Center, <http://www.stormwatercenter.net>.

US EPA. *Post-Construction Stormwater Management in New Development and Redevelopment*. BMP Fact Sheets. Available online at:

[http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=min\\_measure&min\\_measure\\_id=5](http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=min_measure&min_measure_id=5).



## Description

As a consequence of its function, the stormwater drainage facilities on site convey stormwater that may contain certain pollutants either to the offsite conveyance system that collects and transports urban runoff and stormwater, or directly to receiving waters. The protocols in this fact sheet are intended to reduce pollutants leaving the site to the offsite drainage infrastructure or to receiving waters through proper on-site conveyance system operation and maintenance. The targeted constituents will vary depending on site characteristics and operations.

## Approach

Successful implementation depends on effective training of employees on applicable BMPs and general pollution prevention strategies and objectives.

### General Pollution Prevention Protocols

- Maintain catch basins, stormwater inlets, and other stormwater conveyance structures on a regular basis to remove pollutants, reduce high pollutant concentrations during the first flush of storms, prevent clogging of the downstream conveyance system, restore catch basins' sediment trapping capacity, and ensure the system functions properly hydraulically to avoid flooding.
- Develop and follow a site specific drainage system maintenance plan that describes maintenance locations, methods, required equipment, water sources, sediment collection areas, disposal requirements, and any other pertinent information.



### Good Housekeeping

#### Illicit Connections and Discharges

- Look for evidence of illegal discharges or illicit connections during routine maintenance of conveyance system and drainage structures:

## Objectives

- Cover
- Contain
- Educate
- Reduce/Minimize

## Targeted Constituents

<i>Sediment</i>	✓
<i>Nutrients</i>	✓
<i>Trash</i>	✓
<i>Metals</i>	✓
<i>Bacteria</i>	✓
<i>Oil and Grease</i>	✓
<i>Organics</i>	✓

## Minimum BMPs Covered

	<i>Good Housekeeping</i>	✓
	<i>Preventative Maintenance</i>	✓
	<i>Spill and Leak Prevention and Response</i>	✓
	<i>Material Handling &amp; Waste Management</i>	
	<i>Erosion and Sediment Controls</i>	
	<i>Employee Training Program</i>	✓
	<i>Quality Assurance Record Keeping</i>	✓



- ✓ Identify evidence of spills such as paints, discoloring, odors, etc.
- ✓ Record locations of apparent illegal discharges/illicit connections.
- ✓ Track flows back to potential discharges and conduct aboveground inspections. This can be done through visual inspection of upgradient manholes or alternate techniques including zinc chloride smoke testing, fluorometric dye testing, physical inspection testing, or television camera inspection.
- ✓ Eliminate the discharge once the origin of flow is established.
- Stencil or demarcate storm drains, where applicable, to prevent illegal disposal of pollutants. Storm drain inlets should have messages such as “Dump No Waste Drains to Stream” or similar stenciled next to them to warn against ignorant or intentional dumping of pollutants into the storm drainage system.
- Refer to fact sheet SC-10 Non-Stormwater Discharges for additional information.

### *Illegal Dumping*

- Inspect and clean up hot spots and other storm drainage areas regularly where illegal dumping and disposal occurs.
- Establish a system for tracking incidents. The system should be designed to identify the following:
  - ✓ Illegal dumping hot spots;
  - ✓ Types and quantities (in some cases) of wastes;
  - ✓ Patterns in time of occurrence (time of day/night, month, or year);
  - ✓ Mode of dumping (abandoned containers, “midnight dumping” from moving vehicles, direct dumping of materials, accidents/spills); and
  - ✓ Responsible parties.
- Post “No Dumping” signs in problem areas with a phone number for reporting dumping and disposal. Signs should also indicate fines and penalties for illegal dumping.
- Refer to fact sheet SC-10 Non-Stormwater Discharges for additional information.



### **Preventative Maintenance**

#### *Catch Basins/Inlet Structures*

- Staff should regularly inspect facilities to ensure compliance with the following:
  - ✓ Immediate repair of any deterioration threatening structural integrity.
  - ✓ Cleaning before the sump is 40% full. Catch basins should be cleaned as frequently as needed to meet this standard.

- ❑ Clean catch basins, storm drain inlets, and other conveyance structures before the wet season to remove sediments and debris accumulated during the summer.
- ❑ Conduct inspections more frequently during the wet season for problem areas where sediment or trash accumulates more often. Prioritize storm drain inlets; clean and repair as needed.
- ❑ Keep accurate logs of the number of catch basins cleaned.
- ❑ Store wastes collected from cleaning activities of the drainage system in appropriate containers or temporary storage sites in a manner that prevents discharge to the storm drain.
- ❑ Dewater the wastes if necessary with outflow into the sanitary sewer if permitted. Water should be treated with an appropriate filtering device prior to discharge to the sanitary sewer. If discharge to the sanitary sewer is not allowed, water should be pumped or vacuumed to a tank and properly disposed. Do not dewater near a storm drain or stream.

### *Storm Drain Conveyance System*

- ❑ Locate reaches of storm drain with deposit problems and develop a flushing schedule that keeps the pipe clear of excessive buildup.
- ❑ Collect and pump flushed effluent to the sanitary sewer for treatment whenever possible.

### *Pump Stations*

- ❑ Clean all storm drain pump stations prior to the wet season to remove silt and trash.
- ❑ Do not allow discharge to reach the storm drain system when cleaning a storm drain pump station or other facility.
- ❑ Conduct routine maintenance at each pump station.
- ❑ Inspect, clean, and repair as necessary all outlet structures prior to the wet season.

### *Open Channel*

- ❑ Modify storm channel characteristics to improve channel hydraulics, increase pollutant removals, and enhance channel/creek aesthetic and habitat value.
- ❑ Conduct channel modification/improvement in accordance with existing laws. Any person, government agency, or public utility proposing an activity that will change the natural state of any river, stream, or lake in California, must enter into a Stream or Lake Alteration Agreement with the Department of Fish and Wildlife. The developer-applicant should also contact local governments (city, county, special districts), other state agencies (SWRCB, RWQCB, Department of Forestry, Department of Water Resources), and Army Corps of Engineers and USFWS.



### ***Spill Response and Prevention Procedures***

- ❑ Keep your spill prevention control plan up-to-date.

- ☐ Investigate all reports of spills, leaks, and/or illegal dumping promptly.
- ☐ Place a stockpile of spill cleanup materials where it will be readily accessible or at a central location.
- ☐ Clean up all spills and leaks using “dry” methods (with absorbent materials and/or rags) or dig up, remove, and properly dispose of contaminated soil.



## ***Employee Training Program***

- ☐ Educate employees about pollution prevention measures and goals.
- ☐ Train employees how to properly handle and dispose of waste using the source control BMPs described above.
- ☐ Train employees and subcontractors in proper hazardous waste management.
- ☐ Use a training log or similar method to document training.
- ☐ Ensure that employees are familiar with the site’s spill control plan and/or proper spill cleanup procedures.
- ☐ Have staff involved in detection and removal of illicit connections trained in the following:
  - ✓ OSHA-required Health and Safety Training (29 CFR 1910.120) plus annual refresher training (as needed).
  - ✓ OSHA Confined Space Entry training (Cal-OSHA Confined Space, Title 8 and Federal OSHA 29 CFR 1910.146).
  - ✓ Procedural training (field screening, sampling, smoke/dye testing, TV inspection).



## ***Quality Assurance and Record Keeping***

- ☐ Keep accurate maintenance logs that document minimum BMP activities performed for drainage system maintenance, types and quantities of waste disposed of, and any improvement actions.
- ☐ Keep accurate logs of spill response actions that document what was spilled, how it was cleaned up, and how the waste was disposed.
- ☐ Keep accurate logs of illicit connections, illicit discharges, and illegal dumping into the storm drain system including how wastes were cleaned up and disposed.
- ☐ Establish procedures to complete logs and file them in the central office.

## **Potential Limitations and Work-Arounds**

Provided below are typical limitations and recommended “work-arounds” for drainage system maintenance:

- Clean-up activities may create a slight disturbance for local aquatic species. Access to items and material on private property may be limited. Trade-offs may exist between channel hydraulics and water quality/riparian habitat. If storm channels or basins are recognized as wetlands, many activities, including maintenance, may be subject to regulation and permitting.
  - ✓ Perform all maintenance onsite and do not flush accumulated material downstream to private property or riparian habitats.
- Storm drain flushing is most effective in small diameter pipes (36-inch diameter pipe or less, depending on water supply and sediment collection capacity). Other considerations associated with storm drain flushing may include the availability of a water source, finding a downstream area to collect sediments, and liquid/sediment disposal.
  - ✓ Develop and follow a site specific drainage system maintenance plan that describes maintenance locations, methods, required equipment, water sources, sediment collection areas, disposal requirements, and any other pertinent information.
- Regulations may include adoption of substantial penalties for illegal dumping and disposal.
  - ✓ Do not dump illegal materials anywhere onsite.
  - ✓ Identify illicit connections, illicit discharge, and illegal dumping.
  - ✓ Cleanup spills immediately and properly dispose of wastes.
- Local municipal codes may include sections prohibiting discharge of soil, debris, refuse, hazardous wastes, and other pollutants into the sanitary sewer system.
  - ✓ Collect all materials and pollutants accumulated in drainage system and dispose of according to local regulations.
  - ✓ Install debris excluders in areas with a trash TMDL.

## Potential Capital Facility Costs and Operation & Maintenance Requirements

### *Facilities*

- Capital costs will vary substantially depending on the size of the facility and characteristics of the drainage system. Significant capital costs may be associated with purchasing water trucks, vacuum trucks, and any other necessary cleaning equipment or improving the drainage infrastructure to reduce the potential .
- Developing and implementing a site specific drainage system maintenance plan will require additional capital if a similar program is not already in place.

## ***Maintenance***

- Two-person teams may be required to clean catch basins with vacuum trucks.
- Teams of at least two people plus administrative personnel are required to identify illicit discharges, depending on the complexity of the storm sewer system.
- Arrangements must be made for proper disposal of collected wastes.
- Technical staff are required to detect and investigate illegal dumping violations.
- Methods used for illicit connection detection (smoke testing, dye testing, visual inspection, and flow monitoring) can be costly and time-consuming. Site-specific factors, such as the level of impervious area, the density and ages of buildings, and type of land use will determine the level of investigation necessary.

## **Supplemental Information**

### ***Storm Drain Flushing***

Flushing is a common maintenance activity used to improve pipe hydraulics and to remove pollutants in storm drainage systems. Flushing may be designed to hydraulically convey accumulated material to strategic locations, such as an open channel, another point where flushing will be initiated, or the sanitary sewer and the treatment facilities, thus preventing re-suspension and overflow of a portion of the solids during storm events. Flushing prevents “plug flow” discharges of concentrated pollutant loadings and sediments. Deposits can hinder the designed conveyance capacity of the storm drain system and potentially cause backwater conditions in severe cases of clogging.

Storm drain flushing usually takes place along segments of pipe with grades that are too flat to maintain adequate velocity to keep particles in suspension. An upstream manhole is selected to place an inflatable device that temporarily plugs the pipe. Further upstream, water is pumped into the line to create a flushing wave. When the upstream reach of pipe is sufficiently full to cause a flushing wave, the inflated device is rapidly deflated with the assistance of a vacuum pump, thereby releasing the backed up water and resulting in the cleaning of the storm drain segment.

To further reduce impacts of stormwater pollution, a second inflatable device placed well downstream may be used to recollect the water after the force of the flushing wave has dissipated. A pump may then be used to transfer the water and accumulated material to the sanitary sewer for treatment. In some cases, an interceptor structure may be more practical or required to recollect the flushed waters.

It has been found that cleansing efficiency of periodic flush waves is dependent upon flush volume, flush discharge rate, sewer slope, sewer length, sewer flow rate, sewer diameter, and population density. As a rule of thumb, the length of line to be flushed should not exceed 700 feet. At this maximum recommended length, the percent removal efficiency ranges between 65-75% for organics and 55-65% for dry weather grit/inorganic material. The percent removal efficiency drops rapidly beyond that. Water is commonly supplied by a water truck, but fire hydrants can also supply water. To make the best use of water, it is recommended that reclaimed water be used if allowed or that fire hydrant line flushing coincide with storm sewer flushing.

## References and Resources

City of Seattle, Seattle Public Utilities Department of Planning and Development, 2009. *Stormwater Manual Vol. 1 Source Control Technical Requirements Manual*.

Knox County Tennessee *Stormwater Management Manual* Chapter 5 Drainage System Maintenance, 2008. Available online at:  
[http://www.knoxcounty.org/stormwater/manual/Volume%201/knoxco\\_swmm\\_v1\\_chap5\\_jan2008.pdf](http://www.knoxcounty.org/stormwater/manual/Volume%201/knoxco_swmm_v1_chap5_jan2008.pdf).

US EPA. Storm Drain System Cleaning, 2012. Available online at:  
<http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=browse&Rbutton=detail&bmp=102>.





Photo Credit: Geoff Brosseau

## Description

This category includes businesses that provide landscaping and landscape maintenance/gardening services.

## Pollutant Sources

The following are sources of pollutants:

- Selecting plants or landscape design,
- Installing new landscaping,
- Maintaining landscapes,
- Using pesticides and fertilizers, and
- Using gas-powered equipment.

Pollutants can include:

- Nutrients (fertilizers, yard wastes),
- Pesticides,
- Heavy metals (copper, lead, and zinc),
- Hydrocarbons (fuels, oils and grease), and
- Sediments.

## Approach

Minimize the potential for stormwater pollution and the need for resources/controls (water, pesticides, fertilizers) by creating and maintaining landscapes in a way that is compatible with the local soils, climate, and amount of rain and sun. Make stormwater pollution prevention BMPs a part of standard operating procedures and the employee training program.





Provide employee education materials in the first language of employees, as necessary.

## Source Control BMPs

The best management practices are listed by activity or area.

<b>Landscape Design</b>	<ul style="list-style-type: none"><li>□ Specify native, low maintenance, and insectary (attract beneficial insects) plants and landscape designs.</li><li>□ Design zoned, water-efficient irrigation systems using technologies such drip irrigation, soaker hoses, or microspray systems. Landscape design should be consistent with the local Water Efficient Landscape Ordinance. See the following website for a list of local ordinances: <a href="ftp://ftp.water.ca.gov/Model-Water-Efficient-Landscape-Ordinance/Local-Ordinances/">ftp://ftp.water.ca.gov/Model-Water-Efficient-Landscape-Ordinance/Local-Ordinances/</a></li><li>□ Do not landscape riparian areas, except to remove non-native plants and replace them with native riparian landscaping.</li><li>□ Replant with native species where possible when landscaping or building an ornamental pond. Do not assume something is native because you have seen it in your area. Contact the local nursery for information or visit the California Exotic Pest Plant Council website (<a href="http://www.caleppc.org">www.caleppc.org</a>).</li></ul>
<b>Landscape Installation</b>	<ul style="list-style-type: none"><li>□ Protect stockpiles and landscaping materials from wind and rain by storing them under tarps or secured plastic sheeting.</li><li>□ Schedule grading and excavation projects during dry weather.</li><li>□ Divert runoff from exposed soils or lower its velocity by leveling and terracing.</li><li>□ Use temporary check dams or ditches to divert runoff away from storm drains.</li><li>□ Protect storm drains with sandbags or other sediment controls.</li><li>□ Revegetation is an excellent form of erosion control for any site. Keep soils covered with vegetation or temporary cover material (mulch) to control erosion.</li><li>□ Check plant roots before buying a plant. Do not buy plants with roots are that kinked or circling around the container. Do not buy plants with soft, rotten, or deformed root crowns.</li><li>□ Do not pile soil around the plant any higher than the root crown.</li></ul>
<b>Landscape Maintenance</b>	<p>Yard Waste</p> <ul style="list-style-type: none"><li>□ Allow leaf drop to become part of the mulch layer in tree, shrub, and groundcover areas.</li><li>□ Keep lawn mower blades sharp, and grasscycle.</li></ul>

- Grasscycle – leave grass clippings on the lawn when mowing. Once cut, grass clippings first dehydrate, and then decompose, quickly disappearing from view. Proper mowing is required for successful grasscycling. Cut grass when the surface is dry, and keep mower blades sharp. Follow the "1/3 Rule": mow the lawn often enough so that no more than 1/3 of the length of the grass blade is cut in any one mowing. Frequent mowing will produce short clippings that will not cover up the grass surface. The lawn may have to be cut every seven days when the lawn is growing fast but only every 7 to 14 days when the lawn is growing slowly.
- Do not leave clippings on pavement or sidewalks where they can wash off into the street, gutter, or storm drain.
- Collect lawn and garden clippings, pruning waste, and tree trimmings. Chip if necessary, and compost or take to the local municipal yard waste recycling/composting facility.
- In communities with curbside pick-up of yard waste, place clippings and pruning waste at the curb in approved bags or containers. No curbside pickup of yard waste is available for commercial properties.
- Do not blow or rake leaves or other yard waste into the street, or place yard waste in gutters or on dirt shoulders, unless it is being piled up for recycling (allowed by some municipalities). After pick-up, sweep up any leaves, litter, or residue in gutters or on street.

## Fertilizing and Pruning

- Perform soil analysis seasonally to determine actual fertilization need and application rates.
- Fertilize garden areas with a mulch of leaves, bark, or composted manure and/or garden waste.
- Apply chemical fertilizer only as needed, when plants can best use it, and when the potential for it being carried away by runoff is low. Make sure the fertilizer spreader is calibrated.
- Prune plants sparingly, if at all. A healthy plant – one that is native to the area and growing under the right conditions – should not need pruning, except when it is not in the right location (where safety or liability is a concern).

## Watering

- Use soil probes to determine soil moisture depth, overall moisture levels, and the need to adjust irrigation schedules.
- Check sprinklers regularly. Adjust as needed to minimize or eliminate overspray onto impervious surfaces. Replace broken sprinklers or lines.

	<p><b>Pest and Weed Control</b></p> <ul style="list-style-type: none"><li>□ Obtain appropriate licenses for pest control and pesticides. Contact the Department of Pesticide Regulation for more information.</li><li>□ Become trained in and offer customers less-toxic pest control or Integrated Pest Management (IPM).</li><li>□ The label on a pesticide container is a legal document. Use a pesticide only as instructed on the label.</li><li>□ Store pesticides, fertilizers, and other chemicals indoors or in a shed or storage cabinet.</li><li>□ Use pesticides sparingly, according to instructions on the label. Rinse empty containers, and use rinsewater as product.</li><li>□ Dispose of rinsed, empty containers in the trash. Dispose of unused pesticides as hazardous waste.</li><li>□ To control weeds, use drip irrigation and mulch. Hand-pull weeds including roots or cut down to ground. Repeat cutting before they flower, grow new leaves, or go to seed. Use herbicides containing pelargonic acid or herbicidal soap as a last resort.</li></ul> <p><b>Handling Gasoline</b></p> <ul style="list-style-type: none"><li>□ Use only containers approved by a nationally recognized testing lab, such as Underwriters Laboratories (UL). Keep the container tightly sealed. Containers should be fitted with a spout to allow pouring without spilling and to minimize the generation of vapors.</li><li>□ Fill cautiously. Always use a funnel and/or spout to prevent spilling or splashing when fueling power mowers, blowers, and all other gas-powered equipment.</li><li>□ Avoid spilling gasoline on the ground, especially near wells. If a spill occurs use kitty litter, saw dust, or an absorbent towel to soak up the spill, then dispose of it properly.</li><li>□ Store carefully. Gasoline moves quickly through soil and into groundwater, therefore, store and use gasoline and fuel equipment as far away from your drinking water well as possible. Be certain to keep a closed cap on the gasoline container. Store at ground level, not on a shelf to minimize the danger of falling and spilling.</li><li>□ Do not dispose of gasoline down the drain, into surface water, onto the ground, or in the trash. Contact the local municipality for directions on proper disposal of excess or old gasoline. Transport old gas in an approved gasoline container.</li></ul> <p><b>Working Near Waterbodies</b></p> <ul style="list-style-type: none"><li>□ Do not dump lawn clippings, other yard waste, or soil along creek banks or in creeks.</li></ul>
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	<ul style="list-style-type: none"><li>□ Do not store stockpiles of materials (soil, mulch) along creek banks. These piles can erode over time into a creek.</li><li>□ Do not spray pesticides or fertilizers by creeks.</li><li>□ Do not over water near streams. The excess water may carry pesticides, fertilizers, sediments, and anything else in its path directly into the creek.</li></ul>
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## Treatment Control BMPs

Not applicable.

## More Information

Bay Area Stormwater Management Agencies Association, 1999. Start at the Source – Design Guidance Manual for Stormwater Quality Protection. Available on-line at: <http://www.scvurppp-w2k.com/pdfs/0910/StartAtTheSource.pdf>.

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Bay Area Water Pollution Prevention Agencies, 2001. Less-Toxic Pest Management- Problem Pesticides. Available on-line at: <http://www.sccgov.org/sites/iwm/hhw/Documents/505018Problem%20Pesticides.pdf>.

California Invasive Plant Council, Undated Website. *Prevention BMPs for Land Managers*. Available on-line at: <http://www.cal-ipc.org/ip/prevention/landmanagers.php>.

California Department of Resources Recycling and Recovery (CalRecycle), 1999. *Grasscycle! Make the Most of Your Lawn. Make the Most of Your Time*. Available on-line at: <http://www.calrecycle.ca.gov/publications/Documents/Organics/44399011.pdf>.

California Department of Resources Recycling and Recovery (CalRecycle). *Capitol Park Training Manual Description and Guidelines for Horticultural Practices*. Available on-line at: <http://www.calrecycle.ca.gov/organics/landscaping/Demos/Manual.pdf>.

Southern Sonoma County Resource Conservation District, Undated pamphlet. *A Guide for Rural Landowners and Residents of Petaluma and Sonoma Creek Watersheds*. Available on-line at: [http://www.conservation.ca.gov/dlrp/watershedportal/Documents/SSCRCD%20Creek%20Care%20Guide%20\(southern%20sonoma%20rcd\).pdf](http://www.conservation.ca.gov/dlrp/watershedportal/Documents/SSCRCD%20Creek%20Care%20Guide%20(southern%20sonoma%20rcd).pdf).

USEPA, Office of Water National Pollution Discharge Elimination System, Undated website. *Stormwater Menu of BMPs Municipal Landscaping*. Available on-line at: <http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=browse&Rbutton=detail&bmp=1>.

## References

Bay Area Stormwater Management Agencies Association, 1999. Start at the Source – Design Guidance Manual for Stormwater Quality Protection. Available on-line at: <http://www.scvurppp-w2k.com/pdfs/0910/StartAtTheSource.pdf>.

Bay Area Stormwater Management Agencies Association, Undated. *Landscape designs for Stormwater Management - Stormwater Control for Small Projects*. Available at: [http://www.acterra.org/programs/stewardship/doc/landscape\\_dispersion.pdf](http://www.acterra.org/programs/stewardship/doc/landscape_dispersion.pdf).

City of San Diego, 2012. *Storm Water Standards*. Available on-line at: <http://www.sandiego.gov/development-services/news/pdf/stormwatermanual.pdf>.

City of San Francisco, 2009. *San Francisco Stormwater Design Guidelines*. Available on-line at: <http://www.sfwater.org/modules/showdocument.aspx?documentid=2779>.

County of Los Angeles Department of Public Works, 2009. *Stormwater Best Management Practice Design and Maintenance Manual For Publicly Maintained Storm Drain Systems*. Available on-line at: <http://dpw.lacounty.gov/ldd/publications/Stormwater%20BMP%20Design%20and%20Maintenance%20Manual.pdf>.

## General Description

Vegetated swales (also referred to as bioswales, biofiltration swales, or landscaped swales) are open, shallow channels with vegetation covering the side slopes and bottom that collect and slowly convey runoff flow to downstream discharge points. They are designed to treat runoff through filtering by the vegetation in the channel, filtering through a subsoil matrix, and/or infiltration into the underlying soils. Swales can be natural or manmade. They trap particulate pollutants (suspended solids and trace metals), promote infiltration, reduce flow velocity, and increase time of concentration of stormwater runoff. Vegetated swales can be implemented to provide effective pretreatment for detention and infiltration stormwater BMPs.

Vegetated swales can serve as part of a stormwater drainage system and can replace curbs, gutters and storm sewer systems. Therefore, swales are best suited for small landscaped portions of industrial or commercial facilities with low peak flow rates. They are not well suited to treat stormwater runoff from industrial areas that have insufficient source control BMPs.

## Inspection/Maintenance Considerations

A thick vegetative cover is needed for vegetated swales to function properly. Usually, swales require little more than normal landscape maintenance activities such as irrigation and mowing to maintain pollutant removal efficiency. Swales can become a nuisance due to mosquito breeding in standing water if obstructions develop (e.g., debris accumulation, invasive vegetation) and/or if proper drainage slopes are not implemented and maintained. The application of fertilizers and pesticides should be minimized.

## Advanced BMPs Covered



## Maintenance Concerns

- *Channelization*
- *Vegetation/Landscape Maintenance*
- *Vector Control*
- *Aesthetics*
- *Flow Obstructions*

## Targeted Constituents

<i>Sediment</i>	▲
<i>Nutrients</i>	●
<i>Trash</i>	●
<i>Metals</i>	▲
<i>Bacteria</i>	●
<i>Oil and Grease</i>	▲
<i>Organics</i>	▲

## Legend (Removal Effectiveness)

- Low ■ High ▲ Medium
- \* Requires Pretreatment

*Note: The removal effectiveness ratings shown in the table are for properly designed, sited, and maintained BMPs; some configurations will have variations in pollutant effectiveness.*



Inspection Activities	Suggested Frequency
<input type="checkbox"/> Inspect after seeding and after first major storms for any damages.	Post construction
<input type="checkbox"/> Inspect for signs of erosion, damage to vegetation, channelization of flow, debris and litter, and areas of sediment accumulation. Perform inspections at the beginning and end of the wet season. Additional inspections after periods of heavy runoff are desirable.	Semi-annual
<input type="checkbox"/> Inspect level spreader for clogging, grass alongside slopes for erosion and formation of rills or gullies, and sand/soil bed for erosion problems.	Annual
Maintenance Activities	Suggested Frequency
<input type="checkbox"/> Mow grass to maintain a height of 3–4 inches, for safety, aesthetic, or other purposes. Litter should always be removed prior to mowing. Clippings should be composted. <input type="checkbox"/> Irrigate swale during dry season (April through October) or when necessary to maintain the vegetation. <input type="checkbox"/> Provide weed control, if necessary to control invasive species.	As needed (frequent, seasonally)
<input type="checkbox"/> Remove litter, branches, rocks blockages, and other debris and dispose of properly. <input type="checkbox"/> Maintain inlet flow spreader (if applicable). <input type="checkbox"/> Repair any damaged areas within a channel identified during inspections. Erosion rills or gullies should be corrected as needed. Bare areas should be replanted as necessary.	Semi-annual
<input type="checkbox"/> Declog the pea gravel diaphragm, if necessary. <input type="checkbox"/> Correct erosion problems in the sand/soil bed of dry swales. <input type="checkbox"/> Plant an alternative grass species if the original grass cover has not been successfully established. Reseed and apply mulch to damaged areas.	Annual (as needed)
<input type="checkbox"/> Remove all accumulated sediment that may obstruct flow through the swale. Sediment accumulating near culverts and in channels should be removed when it builds up to 3 in. at any spot, or covers vegetation, or once it has accumulated to 10% of the original design volume. Replace the grass areas damaged in the process. <input type="checkbox"/> Rototill or cultivate the surface of the sand/soil bed of dry swales if the swale does not draw down within 48 hours.	As needed (infrequent)

## Additional Information

Research (Colwell et al., 2000) indicates that grass height and mowing frequency have little impact on pollutant removal. Consequently, mowing may only be necessary once or twice a year for safety or aesthetics or to suppress weeds and woody vegetation.

The swale bottom and side slopes should be covered with dense vegetative cover to filter pollutants out of runoff and helps reduce flow velocities and protect the swale from erosion. Fine, close-growing grasses are ideal because increasing the surface area of the vegetation exposed to runoff improves the effectiveness of the swale. Drought tolerant vegetation than can tolerate sediment and debris accumulations are best-suited for swales.

## References

California Department of Transportation. *Treatment BMP Technology Report (CTSW-RT-09-239.06)*, 2010. Available online at:

<http://www.dot.ca.gov/hq/env/stormwater/pdf/CTSW-RT-09-239-06.pdf>.

California Stormwater Quality Association. *Stormwater Best Management Practice Handbook, New Development and Redevelopment*, 2003. Available online at:

<https://www.casqa.org/resources/bmp-handbooks/new-development-redevelopment-bmp-handbook>.

Colwell, Shanti R., Horner, Richard R., and Booth, Derek B., 2000. *Characterization of Performance Predictors and Evaluation of Mowing Practices in Biofiltration Swales*. Report to King County Land and Water Resources Division and others by Center for Urban Water Resources Management, Department of Civil and Environmental Engineering, University of Washington, Seattle.

San Francisco Public Utilities Commission, et al. San Francisco Stormwater Design Guidelines. Appendix A, Stormwater BMP Fact Sheets, 2010. Available online at:

<http://www.sfwater.org/modules/showdocument.aspx?documentid=2778>.

Stormwater Managers Resource Center. <http://www.stormwatercenter.net>.

Stormwater Mangers Resource Center, Stormwater Practices for Cold Climates.

<http://www.stormwatercenter.net/Cold%20Climates/cold-climates.htm>.

Tahoe Regional Planning Agency. Best Management Practices Handbook, 2012.

Available online at:

<http://www.tahoebmp.org/Documents/2012%20BMP%20Handbook.pdf>.

U.S. Environmental Protection Agency, Post-Construction Stormwater Management in New Development and Redevelopment. BMP Fact Sheets. Available online at:

[http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=min\\_measure&min\\_measure\\_id=5](http://cfpub.epa.gov/npdes/stormwater/menuofbmps/index.cfm?action=min_measure&min_measure_id=5).



Ventura Countywide Stormwater Quality Management Program. *Technical Guidance Manual for Stormwater Quality Control Measures*, 2010. Available online at: [http://www.vcstormwater.org/documents/workproducts/technicalguidancemanual/2010revisions/Ventura%20Technical%20Guidance%20Document\\_5-6-10.pdf](http://www.vcstormwater.org/documents/workproducts/technicalguidancemanual/2010revisions/Ventura%20Technical%20Guidance%20Document_5-6-10.pdf).

Watershed Management Institute, Inc. *Operation, Maintenance, and Management of Stormwater Management Systems*, 1997. Available online at: <http://www.stormwater.ucf.edu/research/stormwaterOMM/stormwateromm.pdf>.

## *Appendix C: Training Reporting Form*

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## Trained Personnel Log

### Stormwater Management Training Log and Documentation

Specific Training Objective: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_

Instructor: \_\_\_\_\_

Telephone: \_\_\_\_\_

Course Length (hours): \_\_\_\_\_

#### Attendee Roster (Attach additional forms if necessary)

Name	Company	Phone

**C10. Approve and Authorize the City Manager to Execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by Increasing the Not to Exceed Amount from \$59,340 to \$209,061 (Staff Contact: Henry Kwong, 408-586-2419)**

Recommendations:

(1) Approve and authorize the City Manager to execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by increasing the not to exceed amount from \$59,340 to \$209,061.

(2) Authorize the transfer of \$149,721 from the City Manager's Contingency Fund to the CIP Project No. 3423, Police Records Management System.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Approve and Authorize the City Manager to Execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by Increasing the Not to Exceed Amount from \$59,340 to \$209,061</b>
<b>Category:</b>	Consent Calendar-Public Safety
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contacts:</b>	<b>Chris Schroeder, 408-586-3161, and Henry Kwong, 408-586-2419</b>
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. Approve and authorize the City Manager to execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by increasing the not to exceed amount from \$59,340 to \$209,061.</li><li>2. Authorize the transfer of \$149,721 from the City Manager's Contingency Fund to the CIP Project No. 3423, Police Records Management System.</li></ol>

### **Background:**

In 1997 the City implemented the Tiburon Inc. Records Management System (RMS). It has been in use for 23 years to manage the voluminous amount of information, data from reports, and citations to effectively provide policing services in our City. In 2003 the City entered into an agreement with Tritech Software Systems (TriTech) to purchase TriTech's Computer Aided Dispatch (CAD) software. The system is used in the Dispatch Center and on all mobile computers in all police cars. Over the years the City invested heavily in upgrades, maintenance and support, and staff training.

In 2015 Tritech Software Systems acquired Tiburon Inc., which made it possible in 2016 for the City to upgrade to the Tritech Inform RMS software at a greatly discounted rate due to the long association with both Tritech and Tiburon. The sole source upgrade was approved by City Council on November 16, 2016. Upgrading to the Tritech Inform RMS software greatly enhanced the Milpitas Police Departments (MPD) data sharing and interoperability with other law enforcement agencies that use the same platform and allowed MPD to remain compliant with State and Federal reporting standards. At the time of the acquisition other products were considered but the pricing was almost double what was offered by TriTech. Today the system is no longer actively supported by TriTech and the associated hardware & technology are obsolete. Although it is currently capable of generating reports for mandated Uniform Crime Report (UCR) data, it cannot generate reports for the National Incident Based Reporting System (NIBRS) which will replace UCR in 2021.

In Fiscal Year 2016-17, Capital Improvement Program (CIP) Project Number 3423, Police Records Management System, allocated \$700,000 to update the police department's RMS, and TriTech, which is now CentralSquare, was engaged to implement a new RMS product. The TriTech RMS project started in 2016, but it was cancelled in 2019 and staff decided to competitively procure the next RMS system with the assistance of a consultant.

On June 25, 2019, a Professional Services Agreement (Agreement) was executed between the City of Milpitas and DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services in order to produce a Request for Proposal (RFP) for a new RMS product, and the compensation amount of the agreement was \$59,340. The RFP is in the final editing stages and is tentatively scheduled to be released in late March of 2020.

**Analysis:**

Staff initially contracted for professional services with the DeltaWRX, LLC to only draft the RFP. Based on the consultant's robust knowledge of the RMS space and their excellent performance in guiding the City, staff recommends amending the contract for additional services as outlined below. Additionally, the new RMS needs to be implemented by 2021 for the City to be in compliance with the NIBRS requirements.

In the course of developing the RFP, personnel from DeltaWRX, LLC have worked closely with staff from several work units within the police department to identify the current functional requirements of end users and have identified the requirements from other City departments, including Information Services and Finance. They have demonstrated a keen understanding of current industry trends and available technology, best practices, and insight into the upcoming implementation of the National Incident-Based Reporting System (NIBRS) throughout the State of California. They have understood the service levels expected from the MPD regarding the new RMS.

The recommended amendments to the scope of services include for DeltaWRX, LLC to assist the City with the next phases of the RFP process, including evaluating the proposals in response to the RFP, assisting with the selection of the vendor, negotiating the contract with the vendor, and overseeing the implementation of the software. The cost of the additional consulting services described in the proposed Amendment No. 1 is \$149,721, which would bring the total cost of the Agreement to \$209,061.

**Policy Alternative:**

**Alternative:** Do not engage DeltaWRX, LLC for additional consulting services.

**Pros:** It would eliminate the proposed expense of \$149,721.

**Cons:** Staff from the police department and Finance would need to entirely manage the remaining phases of the RFP process, including evaluating the proposals received, selecting a vendor, negotiating with a vendor, and oversight of the vendor.

**Reason not recommended:** RMS products are complex software systems with many intricate components and interface requirements. Having technical experts, such as DeltaWRX, LLC, assisting with product evaluation and vendor selection is vital to a successful implementation including meeting the compliance deadline for the NIBRS in 2021.

**Fiscal Impact:**

Additional funds of \$149,721 required for Amendment No. 1 to the Agreement are available from the City Manager's Contingency Fund.

**California Environmental Quality Act:**

Not applicable

**Recommendations:**

1. Approve and Authorize the City Manager to execute Amendment No. 1 to the Agreement with DeltaWRX, LLC for Law Enforcement Records Management System Consulting Services by increasing the not to exceed amount from \$59,340 to \$209,061.
2. Authorize the transfer of \$149,721 from the City Manager's Contingency Fund to the CIP Project No. 3423, Police Records Management System.

**Attachments:**

Amendment No. 1 to the Agreement between the City of Milpitas and DeltaWRX, LLC  
Original Agreement between the City of Milpitas and DeltaWRX



**AMENDMENT NO. 1**  
**TO THE PROFESSIONAL SERVICES AGREEMENT**  
**WITH**  
**DELTAWRX, LLC**  
**FOR**  
**LAW ENFORCEMENT RECORDS MANAGEMENT SYSTEM**  
**CONSULTING SERVICES**

This Amendment No. 1 is entered into this 4<sup>th</sup> day of March 2020, by and between the City of Milpitas, a municipal corporation of the State of California (hereafter referred to as "City") and **DeltaWRX, LLC**, a California limited liability company (hereafter referred to as "Consultant"). City and Consultant are sometimes individually as "Party" and collectively as "Parties" in this Amendment No 1.

**RECITALS**

WHEREAS, the Parties entered into a Professional Services Agreement to provide Law Enforcement Records Management System Consulting Services on June 25, 2019 ("Agreement") in the total amount of \$59,340.00 for the period July 15, 2019, to June 30, 2020; and

WHEREAS, the Parties desire to amend the Agreement to increase the compensation by \$149,721.00, extend the term for an additional two years and expand the Scope of Work to include additional services of Proposal Evaluation and Vendor Selection, Contract Negotiations, and Implementation Oversight.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties agree to amend the Agreement as follows:

1. Section 2. Compensation, subsection (b.) - the first sentence is hereby amended to read as follows: "In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed Two Hundred and Nine Thousand Sixty-One Dollars and Zero Cents (\$209,061.00)."
2. Section 5. Term - the first sentence is hereby amended to read as follows: "The term of this Agreement shall be from **July 15, 2019** to **June 30, 2022** unless earlier terminated as provided herein."
3. Exhibit A-1 entitled "Scope of Services," attached hereto and incorporated herein, is added to include additional services of Proposal Evaluation and Vendor Selection, Contract Negotiations, and Implementation Oversight.
4. Exhibit B-1 entitled "Cost Summary," attached hereto and incorporated herein, is added to include the cost breakdown of the additional services listed in Exhibit A-1.
5. All other provisions of the Agreement not amended by this Amendment No. 1 shall remain in full force and effect.





**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF MILPITAS  
AND DELTAWRX, LLC**

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IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1  
as of the date first written above.

**CITY OF MILPITAS**

*Approved By:*

\_\_\_\_\_  
Steven G. McHarris, Interim City  
Manager

\_\_\_\_\_  
Date

*Approved As To Form:*

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

*Approved:*

\_\_\_\_\_  
Walter C. Rossmann, Risk  
Manager/Director of Finance

*Approved As To Content:*

\_\_\_\_\_  
Armando Corpuz, Chief of Police

**DELTAWRX, LLC**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
DIR Registration Number (If  
Applicable)

**Phase II - Proposal Evaluation and Vendor Selection**

The tasks included in this phase include releasing the RFP, constructing an evaluation and selection methodology, facilitating a thorough proposal review process and assisting the City with identifying the RMS provider most capable of meeting MPD's needs.

**Task 1 - Release RFP** – After completing the RFP, DELTAWRX will assist MPD with releasing the RFP on the City's purchasing platform, providing guidance to prospective proposers and answering submitted questions. As appropriate, we will coordinate with the Project Team to prepare written responses to submitted questions.

**Task 2 - Identify an Evaluation Committee** – DELTAWRX will provide guidelines to help the Project Team create an appropriate Evaluation Committee that represents all stakeholders, while being a manageable size.

**Task 3 - Prepare Selection Criteria** – DELTAWRX will work with the Project Team to identify the criteria that an Evaluation Committee will use to evaluate submitted proposals, as well as the corresponding weights assigned to the criteria.

**Task 4 - Prepare Evaluation Plan** – DELTAWRX will develop an Evaluation Plan describing the evaluation criteria and outlining the process that the Evaluation Committee will follow during the selection process to ensure a fair and objective system procurement. The Evaluation Plan will include written instructions describing the evaluation methodology and evaluation worksheets for the analysis of the submitted proposals. Once the Evaluation Plan is complete, DELTAWRX will conduct a workshop with the Evaluation Committee to review the evaluation process, discuss ground rules for the evaluation and review, in detail, the RFP to ensure familiarity. We have found that this workshop has been helpful to set expectations and prepare the Evaluation Committee for the evaluation process.

**Task 5 - Facilitate Pre-Proposal Conference** – In conjunction with the City's Procurement Office, the Project Team and other stakeholders, DELTAWRX will facilitate a pre-proposal conference for interested vendors. DELTAWRX will provide an overview of the procurement process, discuss system requirements and answer questions regarding the RFP from potential proposers. Following the Pre-Proposal Conference, we will assist in preparing any addenda to be issued by the City.

**Task 6 - Assist with Proposal Evaluation** – One of our primary objectives in facilitating the proposal evaluation process will be to ensure the selection is grounded in a fair and objective assessment of the proposals. DELTAWRX will develop evaluation worksheets and other pertinent materials for the Evaluation

Committee to use as they evaluate each response from prospective system providers.

DELTAWRX will also review all proposals received in response to the solicitation alongside the Evaluation Committee members. Although we will not cast votes during the scoring portion of the evaluation, we will support Evaluation Committee members by providing expertise based on our independent in-depth review of the proposals.

**Task 7 - Facilitate Vendor Demonstrations, Reference Checks and Site Visits –** DELTAWRX will assist with preparing a uniform format, agenda, and questions for vendor demonstrations, as well as vendor compliance with the agenda. We will attend the demonstrations and moderate discussions with the finalists. At the conclusion of the vendor demonstrations, we will update our evaluation worksheets to reflect any verbal or written representations made by the vendors during the demonstrations.

DELTAWRX will also help coordinate reference checks and site visits with existing clients of each finalist. We will help select appropriate agencies and provide a set of questions to guide the reference checks and site visits. The reference checks and site visits will include confirmation of workmanship and provide insight into potential contract negotiation issues. This process will also provide the Evaluation Committee with an excellent opportunity to identify the lessons learned by their peers in other agencies.

**Task 8 - Analyze Cost Proposals –** After an initial review of all proposals, DELTAWRX will perform a comprehensive economic analysis of each proposal being considered for further analysis. We will examine both one-time and recurring costs for items such as application software, hardware and system software, site preparation, implementation, licensing, legacy data access, training and maintenance. We will also attempt to identify any project costs that vendors often fail to include. Our analysis will allow the evaluation team to compare one-time and recurring vendor costs in a line item format. DELTAWRX will share the results of this analysis with the evaluation team at the appropriate time, which typically occurs after the team has completed its review of the technical proposals.

**Task 9 - Assist with Recommendation of Most Qualified System Provider –** At the conclusion of the proposal review process, we will work with the evaluation team to recommend the system provider whose solution best meets MPD's overall needs and requirements. We will prepare a Final Selection Report detailing the evaluation process, a summary of the conclusions reached at each relevant evaluation phase and document the justifications leading to the Evaluation Committee's decision.

### **Phase III - Contract Negotiations**

DELTAWRX will work closely with appropriate project, legal and purchasing staff to negotiate a contract with the selected system provider. Although we are

not attorneys, we will provide subject matter expertise to the team and assist in formulating negotiating strategies. The final negotiated contract should cover implementation, licensing and support. During the negotiations, we will emphasize protecting the City's interests and laying the foundation for both short-term project success and long-term satisfaction with the selected system.

**Task 10 - Conduct a Pre-Negotiation Strategy Session** – To prepare the City for contract negotiations, DELTAWRX will conduct a session with the City's internal negotiating team to discuss and finalize the overall negotiating strategy. During this session, we will examine City and MPD issues, positions and interests to determine the most desired outcomes in a negotiated agreement. Based on a review of the vendor's proposal, we will develop a negotiating strategy by identifying the vendor's issues, positions and interest. Among the topics we will discuss are:

- Terms and Conditions: Which terms and conditions (if any) are “deal breakers” for the City?
- BATNA: What is the “Best Alternative to a Negotiated Agreement” for the City? To negotiate a successful agreement, the City must understand the alternatives to signing an agreement with the selected vendor.
- Design Flexibility: Can cost savings be realized by substituting the vendor's off-the-shelf functionality for customized features or system components?
- Timeframe: How time sensitive is the implementation? Is there a must-complete date for cutover of the system?

To facilitate preparations for contract negotiations, DELTAWRX recommends including the City contract in the RFP and asking proposers to identify their exceptions to the terms and conditions. The exceptions a proposer takes can help us anticipate the selected vendor's negotiation strategy and prepare the City to negotiate an agreement that protects its interests while providing an acceptable outcome for the vendor.

**Task 11 - Assist with Contract Negotiations** – DELTAWRX cannot stress enough the importance of a comprehensive contract that leaves little to interpretation after the contract is signed by both parties. In addition to negotiating terms and conditions, we negotiate components such as the statement of work, legacy data access approach, interface control documentation, preliminary project schedule, payment schedule, training plan, test plan, and maintenance agreement before the project begins. This approach maximizes shared expectations while reducing risk and uncertainty and contributes to a more successful transition to new systems.

The City shall retain “ownership” of the contract, and project staff should take responsibility for editing the contract documents and distributing changes to the participants. At the conclusion of each negotiating meeting, we will provide the City with an action item list that summarizes the major outstanding issues. By diligently working through these issues with all parties, we should reach an agreement that clearly protects the City interests.

Likely key contract components include:

- Master Implementation Agreement
- License Agreement
- Maintenance Agreement
- Statement of Work, including a Project Schedule, Acceptance Test Plan, Training Plan, and Data Conversion Plan
- Payment Milestones
- System Performance Standards
- RFP and Correspondence
- Other City-Required Components

System providers often want to create the Statement of Work, Training Plan, Data Conversion Plan and System Testing Plan as initial project implementation tasks. DELTAWRX has found that taking the time to negotiate and develop these documents during contract negotiations and then incorporating them into the contract sets clear expectations of both the vendor and the City, providing for a smoother implementation. As part of contract negotiations DELTAWRX will assist the City and the selected system vendor with the development of the following documents:

- **Training Plan** – The negotiated contract will include a Training Plan that meets the needs of system users and addresses curriculum, class sizes and class participants for vendor-supplied training. It is likely that the vendor will provide train-the-trainer training, as well as technical support training, but that the City will be responsible for most end-user training. DELTAWRX will ensure that the Training Plan is consistent with industry best practices and the specific needs of the City.
- **Legacy Data Access Statement of Work** – The City and the selected vendor will need to determine the optimal legacy data access approach. Possible approaches include, but are not limited to: converting all data, converting select data, accessing data through an interface to legacy systems, migrating data to a data warehouse and some combination of these approaches. DELTAWRX will assist the City with evaluating alternative approaches to accessing legacy data and incorporate the optimal approach into the Statement of Work.
- **Statement of Work and Preliminary Project Schedule §** – DELTAWRX will work with the selected system vendor and the City to develop a Statement of Work that details the tasks required for implementation of the new systems. The Statement of Work will include a high-level preliminary project schedule to provide a guide for the development of a detailed project schedule as an initial task during system implementation. The Statement of Work should include task descriptions, vendor and City personnel and responsibilities, prerequisites for starting the task, and task completion

- **System Acceptance Testing Plan** – DELTAWRX will work with the selected vendor and the City to develop an Acceptance Testing Plan that addresses functional, performance and reliability testing.

#### **Phase IV - Implementation Oversight**

DELTAWRX will provide Implementation Oversight services, as described in this section, during the implementation of the new RMS. We have found that the most cost effective and successful approach to managing system implementations is for the implementing agency to provide a Project Manager who is responsible for coordinating with the vendor's Project Manager to schedule activities and City resources.

**Task 12 - Provide Project Coordination and Oversight** – After the contract has been executed with the City's selected vendor, DELTAWRX will provide project coordination and oversight services to assist with managing the system implementation. We will facilitate regular status meetings with the vendor and the Project Team during which we will review accomplishments to-date, discuss upcoming deliverables, assess project expenditures and assign responsibilities for tasks. We will address issues affecting project scope, schedule, budget and quality to make sure the project remains on schedule and within budget. We also will present any recommended changes to the project plan and statement of work, along with an assessment of the overall effect on the project schedule, budget and quality. If requested, we will draft and distribute meeting agendas and minutes to keep all team members informed of the project's progress.

**Task 13 - Monitor Project Risks** – Early in the project, DELTAWRX will create a risk register to track project risks and mitigation strategies. We will conduct a workshop with the selected vendor and MPD Implementation Team to identify risks, assign values (high, medium, and low) to concern levels, expected impact on project and the likelihood of occurrence. During the workshop, we also will develop a mitigation strategy for each identified risk and, if appropriate, a contingency plan should the mitigation strategy not work. During project status meetings, DELTAWRX will review relevant risks of high concern, assess the effectiveness of the risk mitigation strategies and determine whether the assigned concern values require adjustment.

**Task 14 - Supply Ongoing Technical Expertise** – Throughout the project, DELTAWRX will provide independent analysis and expertise to the MPD. Having been involved in studying and implementing a wide variety of records management systems, we have developed unique insight into the technologies that comprise today's modern systems. We will be an aggressive advocate for MPD's interests but will also recommend fair and equitable solutions to challenges that may arise. Provision of technical expertise will occur during on-site meetings, as well as via email and telephone conversations.

**Task 15 - Oversee System Configuration** – During implementation, the selected vendor and MPD will likely configure the system to accommodate then-current business practices. DELTAWRX will assist with identifying who should be involved in configuration activities and decisions. We will then draw on our understanding of existing business practices to ensure that the system configuration meets MPD’s business needs.

**Task 16 - Supervise System Acceptance Testing** – DELTAWRX will work closely with the selected vendor to ensure that testing of all system functional requirements, technical requirements and interfaces is included in the test plan. In addition to reviewing the selected vendor’s test planning documentation, we will also review documentation of all vendor test cases, scripts and expected outcomes to ensure a thorough test is planned and executed. We will work with MPD’s Implementation Team and selected vendor to ensure that tests are executed properly and that all test results and issues are clearly documented for easy resolution. DELTAWRX will also work with the selected vendor and Implementation Team to facilitate communication and resolution of all non-compliant test results and review the selected vendor’s approach and timeline for resolving any outstanding issues that could delay final system acceptance and implementation.

**Task 17 - Conduct Transition Planning Meetings and Support Cutover** – DELTAWRX will provide support before, during and after the cutover of all major systems. We will facilitate meetings with all stakeholders involved in cutting over to the new systems to develop a cutover schedule and task list. We will identify the critical path items in the schedule and assign responsibilities for their successful completion. We will anticipate potential challenges and develop a mitigation strategy for each challenge.

**Task 18 - Conduct Post-Implementation Review** – Once the implementation is completed, DELTAWRX will conduct a post implementation review to identify the strengths of the implementation as well as opportunities for improvement. We will review each installed application to verify that it meets contracted requirements and will develop a punch list of items that the selected vendor or the City should address in the future.

**Exhibit B-1**  
**Cost Summary**

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Consultant's proposed professional fee for the additional services listed in A-1 is \$149,721.00. This fee is inclusive of all administrative, travel, report production and related expenses to complete tasks shown on Exhibit A-1

Task #	Task	Hours	Fees
<b>Phase II - Proposal Evaluation and Vendor Selection</b>		<b>256</b>	<b>\$ 54,912</b>
1	Release RFP	12	2,574
2	Identify an Evaluation Committee	4	858
3	Prepare Selection Criteria	8	1,716
4	Prepare Evaluation Plan	16	3,432
5	Facilitate Pre-Proposal Conference	12	2,574
6	Assist with Proposal Evaluation	80	17,160
7	Facilitate Vendor Demonstrations, Reference	72	15,444
8	Analyze Cost Proposals	28	6,006
9	Assist with Recommendation of Most Qualified	24	5,148
<b>Phase III - Contract Negotiations</b>		<b>118</b>	<b>\$ 25,311</b>
10	Conduct a Pre-Negotiation Strategy Session	18	3,861
11	Assist with Contract Negotiations	100	21,450
<b>Phase IV - Implementation Oversight</b>		<b>324</b>	<b>\$ 69,498</b>
12	Provide Project Coordination and Oversight	80	17,160
13	Monitor Project Risks	40	8,580
14	Supply Ongoing Technical Expertise	60	12,870
15	Oversee System Configuration	64	13,728
16	Supervise System Acceptance Testing	32	6,864
17	Conduct Transition Planning Meetings and Support	32	6,864
18	Conduct Post-Implementation Review	16	3,432
<b>TOTAL</b>		<b>698</b>	<b>\$ 149,721</b>



**CITY OF MILPITAS  
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of June 25, 2019 ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City"), and DELTAWRX, LLC a limited liability corporation with its principal place of business at 21700 Oxnard Street, Suite 530, Woodland Hills, California, 91367 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

**RECITALS**

A. City is a public agency of the State of California and is in need of professional services for the following project:

**Law Enforcement Records Management System Consulting Services**

(hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

**AGREEMENT**

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. Services

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit A.

2. Compensation

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit B.

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Fifty-Nine Thousand Three Hundred Forty Dollars and Zero Cents (\$59,340.00)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes

in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement term and for four (4) years from the date of final payment under the Agreement for inspection by City.

5. Term

The term of this Agreement shall be from **July 15, 2019** to **June 30, 2020**, unless earlier terminated as provided herein. The City reserves the right to review the Consultant's performance at the end of each year and cancel all or part of the Agreement.

6. Delays in Performance

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to: abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes; lockouts; work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Consultant

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit D (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

12. Indemnification

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined

by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars and Zero Cents (\$1,000.00) or more. Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

#### 14. Verification of Employment Eligibility

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

#### 15. City Material Requirements

[RESERVED]

#### 16. Laws and Venue

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

## 17. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

c. The Consultant understands and accepts that at all times, the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement may terminate without penalty, liability or expense of any kind to the City at the end of Agreement term. The City has no obligation to make appropriations for the Agreement in lieu of appropriations for new or other contracts. City budget decisions are subject to the discretion of the Mayor and City Council. Consultant's assumption of risk of possible non-appropriation is a part of the consideration for the Agreement. This section controls against any and all other provisions of the Agreement.

## 18. Documents

Except as otherwise provided in "Termination or Abandonment." above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

## 19. Organization

Consultant shall assign Brian Hudson as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

## 20. Limitation of Agreement

This Agreement is limited to and includes only the work included in the Project described above.

## 21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

**CITY:**

City of Milpitas  
 455 E. Calaveras Boulevard  
 Milpitas, California 95035  
 Attn: City Manager

**CONSULTANT:**

DELTAWRX  
 21700 Oxnard Street, Suite 530  
 Woodland Hills, CA 91367  
 Attn: Brian Hudson

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person that are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

31. Wage Theft Prevention

a. Consultant, and any subconsultant it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

b. BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONSULTANT OR ITS SUBCONSULTANTS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONSULTANT AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONSULTANT OR ITS SUBCONSULTANT(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

c. If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Consultant or a subconsultant it employs to perform work under this Agreement has violated any applicable wage and hour law, or Consultant learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Consultant shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Consultant or its subconsultant(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order.

If the Consultant or its subconsultant is subject to a payment or other alternative plan, the Consultant or its subconsultant shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

d. For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

e. Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

f. Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

[SIGNATURES ON FOLLOWING PAGE]



**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF MILPITAS  
AND DELTAWRX**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**CITY OF MILPITAS**


*Approved By:*



Steve McHarris  
Interim City Manager

7/5/19  
Date

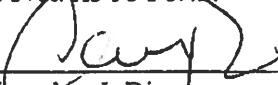
**DELTAWRX**



Michael P. Thayer  
Partner

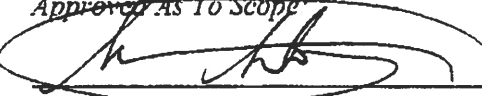
6/20/2019  
Date

*Approved As To Form:*



Christopher J. Diaz  
City Attorney

*Approved As To Scope*



Walter C. Rossmann  
Director of Financial Services

*Approved As To Content:*



Armando Corpuz  
Chief of Police

## EXHIBIT A

### Scope of Services

#### Work Plan

**Task 1 - Hold Project Planning Meeting** – To initiate the project, Consultant will facilitate a meeting to finalize the work plan and project schedule, develop a project communications plan and discuss any constraints and risks that could affect project outcomes. During this meeting, Consultant will review its understanding of the existing records management and report writing environment and confirm that Consultant have a complete list of all project stakeholders, involved agencies and other affected entities to which Consultant should reach out during interviews.

**Task 2 - Conduct Project Kickoff Meeting** – Consultant will conduct a project kickoff workshop with the Project Team and other interested stakeholders. Consultant shall invite City leadership, command staff and other key stakeholders to ensure clarity regarding project drivers, objectives, and team member roles and responsibilities. During the meeting, Consultant will review the work plan, deliverables and project timeline and discuss project logistics with the attendees, as appropriate. The kickoff meeting will also provide an open forum for project stakeholders to exchange ideas and establish expectations regarding desired project outcomes.

**Task 3 - Review Background Materials** – Consultant will review any available documentation that provides background information or context for the project. Examples of the type of information Consultant typically ask to review include previous studies, annual budgets and grant documents, standard operating procedures, current report volumes, activity summary information, organization charts, workflow diagrams, technology overviews and staffing reports. In addition to these items, Consultant will review any other materials that project stakeholders believe may provide additional insight into the current environment.

**Task 4 - Conduct Interviews and Observe Operations** – Input from key stakeholders is important for clearly understanding immediate and long-term end-user needs. As such, Consultant will conduct individual and group interviews with key stakeholders from various impacted divisions and units throughout MPD. Topics covered during interviews will be tailored to the role(s) of those being interviewed, but will address areas including strategic drivers, workflows pertaining to the use of technology, and strengths, weaknesses, opportunities and challenges of the existing environment. To better understand the functional needs of key end-users, as well as the records management and report writing environment, Consultant will tour relevant facilities and observe records and report writing operations.

**Task 5 - Identify Business Needs** – Consultant will document the business needs that will drive the procurement of the new RMS. The results of this task will clarify the current environment, identify core business need areas and define the scope of the new systems (modules, interfaces,

redundancy, hardware, etc.) that will ultimately be conveyed to prospective vendors in a future RFP. Consultant will present the Business Needs Assessment to the MPD in draft form and would be pleased to incorporate any feedback into the final version.

**Task 6 - Document Functional Requirements** – Using the assessment of the current environment, as well as our knowledge of law enforcement records management systems, Consultant will work with end-users and stakeholders to develop a set of functional requirements that MPD can include in an RFP for release to prospective system providers. The functional requirements document will include CIBRS/NIBRS compliance requirements, and will conform to national standards and known best practices while also reflecting the project's unique needs and business requirements. Consultant will develop requirements inclusive of all interface, security, audit, user interface, documentation and system administration requirements.

**Task 7 - Review and Finalize Functional Requirements** – As part of the requirements development process, Consultant will schedule review sessions with end-users to ensure the compilation of an accurate and comprehensive set of requirements. Consultant will provide the MPD Project Manager with a draft set of requirements for distribution to appropriate end-users as well as a suggested schedule for the review of the different requirements sections. After facilitating the onsite requirements review sessions, Consultant will provide MPD with the final requirements document that can be included in an RFP issued to prospective solution providers.

**Task 8 - Develop RFP** – Consultant will develop a comprehensive RFP that will be issued to prospective proposers utilizing the City's approved RFP template. Consultant will work closely with MPD and the City's Purchasing Agent to ensure that the RFP is developed in accordance with all relevant purchasing and legal requirements. Examples of the sections that may be included in the RFP are as follows:

- Executive Summary
- Project Overview
- Submission Requirements
- RFP Terms and Conditions
- Evaluation Criteria
- Description of Existing Systems
- Scope of Requested Services
- Proposer Questionnaire (open-ended questions regarding company background, hardware, support and maintenance, interfaces, system architecture, project management, etc.)
- Functional Requirements
- Cost Worksheets

- Agency Contract
- Supplemental Information

Consultant will provide a draft of the RFP for review by the Project Team and incorporate any feedback into a final version that will be ready for release. Unless otherwise instructed by the City, Consultant will ask proposers to provide the cost information separately so that Project Team members can review each system provider's technical solution and approach without being unduly influenced by the costs.

## EXHIBIT B

### Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant.

Consultant's proposed professional fee for this project is **Fifty-Nine Thousand Three Hundred Forty Dollars and Zero Cents (\$59,340.00)**. This fee is inclusive of all administrative, travel, report production and related expenses to complete the tasks shown in Exhibit A.

## EXHIBIT C

## Activity Schedule

The preliminary project schedule prepared by Consultant and shown below assumes a start date of July 15, 2019. Consultant factored time into the schedule to accommodate known holidays and natural project lag times (e.g., review cycles), but did not build time into the schedule to accommodate delays on the part of City resources. While Consultant created this detailed project timeline and plan, Consultant shall also be reasonably flexible to accommodate our City's needs. Consultant will plan to review and refine this proposed project schedule with MPD's Project Manager and other key stakeholders as an initial project task.

Task		Estimated Start Date	Estimated Finish Date
1	Hold Project Planning Meeting	07/15/19	07/19/19
2	Conduct Project Kickoff Meeting	07/22/19	07/22/19
3	Review Background Materials	07/15/19	07/26/19
4	Conduct Interviews and Observe Operations	07/22/19	07/26/19
5	Identify Business Needs	07/29/19	08/16/19
6	Document Functional Requirements	08/19/19	08/30/19
7	Review and Finalize Functional Requirements	09/02/19	09/06/19
8	Develop RFP	09/09/19	09/27/19

## EXHIBIT D

### Insurance Requirements

Please refer to the insurance requirements listed below. Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

#### **Commercial General Liability (CGL):**

☐ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

X Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

☐ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

**Automobile Liability:**

X Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos. Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 per accident for bodily injury and property damage.

\_\_\_\_\_ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than \$5,000,000.00 per accident for bodily injury and property damage.

\_\_\_\_\_ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

**Professional Liability (Errors and Omissions):**

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

X Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \$1,000,000.00 per occurrence or claim, \$2,000,000.00 aggregate.

\_\_\_\_\_ (If Design/Build), with limits no less than \$1,000,000.00 per occurrence or claim, and \$2,000,000.00 policy aggregate.

\_\_\_\_\_ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \_\_\_\_\_ per occurrence or claim, \_\_\_\_\_ aggregate

**Workers' Compensation Insurance:**

X Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Contractor or Consultant makes the following certification, required by section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

  
Contractor/Consultant Signature



**Builder's Risk (Course of Construction):**

\_\_\_ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

**Contractor's or Consultant's Pollution Legal Liability:**

\_\_\_ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000.00 per occurrence or claim and \$2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

**Other Insurance Provisions:**

The insurance policies are to contain, or be endorsed to contain the following provisions:

**X\_ Additional Insured Status:**

The insurance policies are to contain, or be endorsed to contain the following provision:

The City, its elected and appointed officials, officers, attorneys, agents, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor or Consultant or any subcontractors including materials, parts, or equipment furnished in connection with such work or operations, including completed operations. General liability coverage can be provided in the form of an endorsement to the Contractor's or Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).

The Additional Insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**X\_ Primary Coverage:**

The insurance policies are to contain, or be endorsed to contain the following provision:

For any claims related to this contract, the Contractor's or Consultant's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees. Any insurance or self-insurance maintained by the City, its elected and appointed officials, officers, attorneys, agents, and employees shall be in excess of the Contractor's or Consultant's insurance and shall not contribute with it.

**\_\_\_\_ Builder's Risk (Course of Construction Insurance) (applicable to Construction Contracts only):**

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

**X\_ Notice of Cancellation, Suspension or Otherwise Voiding Policies:**

Each insurance policy required above shall contain, or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior written notice by certified mail, return receipt requested to the City.

**X\_ Waiver of Subrogation:**

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

**\_\_\_\_ Completed Operations:**

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

**THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS**

**Deductibles and Self-Insured Retentions ("SIR"):**

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

**Acceptability of Insurers:**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to City.

**Claims Made Policies: (note - should be applicable only to professional liability, see below)**

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

**Subcontractors:**

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

**Verification of Coverage:**

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

**Special Risks or Circumstances:**

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

**Failure to Comply:**

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

**Applicability of Coverage:**

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

**C11. Consider and Approve a Fee Waiver for Temporary Banner Sign Permit Fee of \$112.86 for the Milpitas Friends of the Library (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Consider request received by the City Clerk on February 7, 2020 and approve fee waiver of \$112.86 for cost of Temporary Banner Sign Permit to hang Book Sale Banner on the Library (outdoors) on six dates in 2020.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Consider and approve a Fee Waiver for Temporary Banner sign permit fee of \$112.86 for the Milpitas Friends of the Library</b>
<b>Category:</b>	Consent Calendar-Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Mary Lavelle, City Clerk, 408-586-3001
<b>Recommendation:</b>	Consider request received by the City Clerk on February 7 and approve fee waiver of \$112.86 for cost of Temporary Banner Sign Permit to hang Book Sale Banner on the Library (outdoors) on 6 dates in 2020.

### **Background:**

On February 7, 2020, the City Clerk received a "Donation or Fee Waiver/Reduction Request Application Form" from the Milpitas Friends of the Library, requesting to waive a \$112.86 fee for a Planning Department Temporary Banner sign permit to hang a banner on the outside of the Milpitas Library at 160 N. Main St. for its special book sales. These special sale events raise funds for library materials and programs, and will be held June 5, 6, and 7, 2020 and again September 25, 26, and 27, 2020.

The adopted Fiscal Year 2019-20 Budget includes \$25,000 for donations, fee waivers, and events. Allocation of this money for the full Council versus individual Councilmembers was placed on past meeting agendas as a discussion item. However, due to time constraints, this topic has been deferred. The current fee waiver request is brought forward for Council consideration, prior to any further policy discussion. Eight fee waivers or requests for donations were already approved by City Council in FY 2019-20 to date. One additional request is on the City Council agenda on March 3, 2020.

Given the budget allocation of \$25,000 and approval of previous requests, approximately \$15,909.48 will be the remaining balance of funds for donations and fee waivers, if the fee waiver for Christ Community Church is also approved on the March 3 City Council agenda.

### **Analysis**

As required, the library group provided a copy of its determination letter from the Internal Revenue Service stating it is a tax-exempt 501(c)(3) organization.

Milpitas City Council adopted the "City Council Donation and Fee Waiver/Reduction Policy" on April 16, 2013. This policy allows Milpitas non-profit organizations to request city fees to be waived up to \$1,500 or a donation amount up to \$500 to be granted upon request. Requesting organizations must be local Milpitas non-profits and provide proof of non-profit status from the federal Internal Revenue Service or the state Franchise Tax Board. Groups are requested to file a follow up report with City Clerk after the event for which the fee waiver or funds were requested.

### **Policy Alternative:**

**Alternative:** Do not approve the fee waiver as requested

**Pros:** Save financial resources of the City's General Fund. Require organizations to raise funds elsewhere.

Con: Deny the opportunity to valuable non-profit organization in the community.

Reason not recommended: There's no stated reason to deny the group, which is an eligible non-profit, completed the correct paperwork, and is seeking a positive vote of the City Council based on adopted policy.

**Fiscal Impact:**

\$25,000 was approved and included in the FY 2019-20 City budget for City Council's Unallocated Community Promotions. If this request, along with one other on this date, is approved by City Council, then \$15,796.62 would remain in that line item of the current year's budget.

**Recommendation:**

Consider the request and move to waive the fee of \$112.86 for the Temporary Banner sign permit from the Planning Department for Milpitas Friends of the Library to hang a banner advertising special Book Sale on dates in June and September 2020.

**Attachments:**

- a) Application + Internal Revenue Service 501(c)3 letter of determination
- b) List of FY 2019-20 Fee Waiver or Donation requests

**City of Milpitas**  
**Donation or Fee Waiver/Reduction Request Application Form**  
**for Non-Profit Organizations**

City Clerk's Office

FEB 07 2020

**RECEIVED**

*Complete this form and return it to Milpitas City Clerk*

Please provide a copy of the IRS tax-exempt letter with the application.

Name of Organization: Friends of the Milpitas Library

Is there a Milpitas branch or affiliation? yes

Mailing Address: 160 N. Main Street

Milpitas CA 95035

Contact Person: Linda Arbaugh Telephone No. 408-489-7657

Email Address: linda.e.arbaugh@comcast.net

What is your request? Donation Amount Requested \_\_\_\_\_ OR

Fee Requested to be waived (type and \$ amount) Temporary Banner sign permit (\$112.86)

Event date(s): June 5, 6, 7 and September 25, 26, 27, 2020

What is the purpose of the event? book sale to raise funds for library  
materials and programs

How will the Milpitas community benefit from this event? shoppers will save money  
by purchasing books, DVDs and CDs at FOML sales

What % of the fund raising proceeds will benefit Milpitas community? 89%

How will the City's contribution (if granted) be recognized in any publicity? Statement on  
sale flyers and newsletters mailed to membership.

**Within 60 days after completion of the event for which a donation was received or a fee waiver/reduction was granted by the City of Milpitas, your organization will provide a written report to the City Clerk to include at minimum: number of participants, copies of all publicity of the event, any benefit to the community, amount of funds raised and an accounting of how the proceeds of the event will be dispersed.**

Signature of Officer: Linda E. Arbaugh

Date: Feb. 6, 2020

Print Name & Title: Linda E. Arbaugh President, FOML



District Director

JUN 11 1994

Friends of the Milpitas Community Library  
40 North Milpitas Blvd  
Milpitas, CA 95035

Employer Identification Number:

77-0027075

Accounting Period Ending:

November 30

Form 990 Required: ☒ Yes ☐ No

Person to Contact:

Desk Officer

Contact Telephone Number:

556-5353

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should contact us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

The box checked in the heading of this letter shows whether you must file Form 990, Return of Organization Exempt from Income tax. If Yes is checked, you are required to file Form 990 only if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, less there is reasonable cause for the delay.

P.O. Box 36040, San Francisco, Calif. 94102

(over)

Letter 947(DO) (5-77)

vg

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-7. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

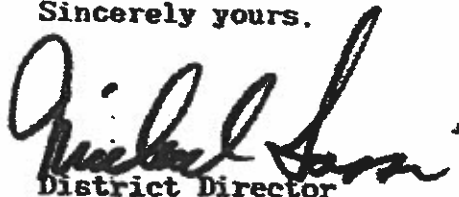
You need an employer identification number even if you have no employees.

If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

  
District Director

Beginning January 1, 1984, unless specifically excepted, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who earned \$100 or more in a calendar year.

For tax years ending on and after December 31, 1982, organizations whose gross receipts are not normally more than \$25,000, are excused from filing Form 990. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990.

**CITY COUNCIL UNALLOCATED COMMUNITY PROMOTIONS BUDGET**  
**Fee Waiver + Other Requests by FY**

Fee Waiver or Donation Requested by:	Event/Activity	Event Date	\$ Amount waived or donated	Date Approved or Scheduled for City Council Consideration	City Council Community Promotions Unallocated 100-100-4203 balance
<b><u>FY 2019-20</u></b>					\$25,000.00
Korean Language & Culture Foundation	Hangeul Day @Library - donation	9/19/2019	\$500.00	approved 9/3/2019	\$24,500.00
Milpitas Community Educational Endowment	Mid-Autumn Festival - donation	9/28/2019	\$500.00	approved 9/3/2019	\$24,000.00
American Cancer Society	Bark for Life run/walk - park rental fee waiver	10/5/2019	\$1,412.63	approved 9/17/2020	\$22,587.37
Sunnyhills Neighborhood Association	Halloween event - Park + Permit fee waiver	10/26/2019	\$1,112.63	approved 10/01/2019	\$21,474.74
Greater Love Church of God in Christ	carwash fundraiser - Permit fee waiver	10/5, 12 & 25, & 11/01/2019	\$932.63	approved 11/05/2019	\$20,542.11
Pragnya	Health 360 - waive rental fee for Community Center Auditorium	11/10/2019	\$1,000.00	approved 11/19/2019	\$19,542.11
Kiwanis Club of Milpitas	Crab feed - waive rental fee for Community Center Auditorium	2/07/2020	\$1,200.00	approved 11/19/2019	\$18,342.11
Milpitas Unified Schools	Parade - waive Special Event Permit fee	2/01/2020	\$932.63	approved 1/28/2020	\$17,409.48
Christ Community Church	Easter Egg Hunt -special event fee + park rental	4/04/2020	\$1,500.00	scheduled 3/03/2020	
Friends of the Milpitas Library	Hang event banner - special event permit fee	6/5-7/2020, 9/25-27/2020	\$112.86	scheduled 3/03/2020	

**C12. Consider and Approve Fee Waiver for Special Event Permit Fee and Sinnott Park Rental for the Christ Community Church's Easter Egg Hunt Community Event on April 4, 2020 (Staff Contact: Mary Lavelle, City Clerk, 408-586-3001)**

Recommendation: Consider request received by the City Clerk on February 3 and approve fee waiver of \$1,500 maximum for Christ Community Church towards Special Event Permit Fee (\$923.63) and partial (2) Park Rental Fee (\$567.37) for Sinnott Park on April 4, 2020 for Easter Egg Hunt community event.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Consider and Approve Fee Waiver for Special Event Permit Fee and Sinnott Park Rental for the Christ Community Church's Easter Egg Hunt Community Event on April 4, 2020</b>
<b>Category:</b>	Consent Calendar-Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Mary Lavelle, City Clerk, 408-586-3001
<b>Recommendation:</b>	Consider request received by the City Clerk on February 3 and approve fee waiver of \$1,500 maximum for Christ Community Church towards Special Event Permit Fee (\$923.63) and partial (2) Park Rental Fee (\$567.37) for Sinnott Park on April 4, 2020 for Easter Egg Hunt community event.

### **Background:**

On February 3, 2020, the City Clerk received a "Donation or Fee Waiver/Reduction Request Application Forms" from the Christ Community Church requesting to waive City Recreation Services rental fee for one park and Planning Department fee for Special Event Permit for a one time, on-site community Easter egg hunt on Saturday, April 4, 2020.

The adopted Fiscal Year 2019-20 Budget includes \$25,000 for donations, fee waivers, and events. Allocation of this money for the full Council versus individual Councilmembers was placed on past meeting agendas as a discussion item. Further discussion of this topic has been deferred. The current fee waiver request is brought forward for Council consideration, prior to any further policy discussion. To date, eight fee waivers or requests for donations were already approved by City Council during Fiscal Year 2019-20. One additional request is on the City Council agenda also on March 3, 2020.

Given the budget allocation of \$25,000 and approval of previous requests, approximately \$17,409.48 is the remaining balance of funds for donations and fee waivers, currently.

### **Analysis**

Christ Community Church, located at 1000 S. Park Victoria Drive in Milpitas, plans to hold a Community Easter Egg Hunt at Sinnott Park on Saturday, April 4, 2020 from 9:00 AM to 2:00 PM, for family fund and bringing the community together. The City's Planning Department is reviewing the event in order to issue a "Special Event Permit" to hold the event, at a cost of \$932.63. Recreation Services staff has reserved the use of Sinnott Park for the event, at a cost of \$200.00 per hour for 5 hours, plus an \$80.00 reservation fee (\$1080).

As required, the Church provided a copy of its determination letter from the Internal Revenue Service, along with a letter of tax exemption from the Presbyterian Church (USA) stating it is a tax-exempt organization.

Milpitas City Council adopted the "City Council Donation and Fee Waiver/Reduction Policy" on April 16, 2013. This policy allows Milpitas non-profit organizations to request city fees to be waived up to \$1,500 or a donation amount up to \$500 to be granted upon request. Requesting organizations must be local Milpitas non-profits and provide proof of non-profit status from the federal Internal Revenue Service or the state Franchise Tax Board. Groups are requested to file a follow up report with City Clerk after the event for which the fee waiver or funds were requested.

**Policy Alternative:**

**Alternative:** Do not approve the fee waiver as requested

Pros: Save financial resources of the City's General Fund. Require organizations to raise funds elsewhere.

Con: Deny the opportunity to valuable non-profit organization in the community.

Reason not recommended: There's no stated reason to deny the group, which is an eligible non-profit, completed the correct paperwork. The group is seeking a positive vote of the City Council based on adopted policy.

**Fiscal Impact:**

\$25,000 was approved and included in the FY 2019-20 City budget for City Council's Unallocated Community Promotions. If this request is approved by City Council, then \$15,909.48 would remain in that line item of the current year's budget.

**Recommendation:**

Consider the request and move to waive fees of \$1,500 for Christ Community Church, specifically the \$932.63 special event permit fee, and \$567.37 (of \$1080 total) for a portion of the park rental costs for this one time egg hunt event on Saturday, April 4, 2020 at Sinnott Park.

**Attachments:**

- a) Application, Internal Revenue Service non-profit, and Presbyterian Church letter, statements
- b) Event flyer
- c) List of FY 2019-20 Fee Waiver or Donation requests

City of Milpitas  
Donation or Fee Waiver/Reduction Request Application Form  
for Non-Profit Organizations

201

City Clerk's Office

FEB 03 2020

RECEIVED

Complete this form and return it to Milpitas City Clerk

Please provide a copy of the IRS tax-exempt letter with the application.

Name of Organization: Christ Community Church

Is there a Milpitas branch or affiliation? \_\_\_\_\_

Mailing Address: 1000 S. Park Victoria Dr. Milpitas

Contact Person: Renee Dunn Telephone No. 408.674.3164

Email Address: reneed@ccc milpitas.org

What is your request? Donation Amount Requested \_\_\_\_\_ OR

Fee Requested to be waived (type and \$ amount) Application - minor events \$932.62

Event date(s): 4/4/2020 PLANNING  
REC FEE = \$1080.00

What is the purpose of the event? Easter Egg Hunt for community  
at Sinnott Park 9am - 2pm

How will the Milpitas community benefit from this event? Family Fun,  
community bonding, bringing families together

What % of the fund raising proceeds will benefit Milpitas community? We do not charge  
for this event

How will the City's contribution (if granted) be recognized in any publicity? During our program  
at the church we can thank the city verbally + also  
on our slideshow.

*Within 60 days after completion of the event for which a donation was received or a fee waiver/reduction was granted by the City of Milpitas, your organization will provide a written report to the City Clerk to include at minimum: number of participants, copies of all publicity of the event, any benefit to the community, amount of funds raised and an accounting of how the proceeds of the event will be dispersed.*

Signature of Officer: Renee Dunn Date: 1/23/2020

Print Name & Title: Renee Dunn - Children's Ministry Coordinator



July 14, 1994

Presbytery of San Jose  
888 N. First Street, Ste. 320  
San Jose, California 95112

RE: TAX EXEMPTION

TO WHOM IT MAY CONCERN:

This letter should serve to confirm that we have verified through the records of the Presbyterian Church (U.S.A.) that the Presbytery of San Jose in San Jose, California, is in good standing and is entitled to the Federal tax exemption granted to the Presbyterian Church (U.S.A.) by the letter ruling attached hereto.

The letters attached are the most up-to-date letters we have and they all refer to the letter dated 1964 which states that the synods, presbyteries, and churches are exempt from federal income tax.

If you need any other information or have any questions, please feel free to contact me at (502) 569-5377.

Sincerely,

Brenda Smithers  
Sr. Legal Assistant

Enclosures

cc: Carolyn F. Shain, General Counsel



U. S. TREASURY DEPARTMENT  
Internal Revenue Service  
Washington 25, D. C.

203

In reply refer to  
T:R:EO:1  
JGD  
Jan. 31, 1964

The United Presbyterian Church in the  
United States of America  
Office of the General Assembly  
510 Witherspoon Building  
Philadelphia 7, Pennsylvania

Gentlemen:

Your application for a group ruling, holding you and your subordinate units exempt from Federal income tax as organizations described in section 501 (c)(3) of the Internal Revenue Code of 1954, has been considered.

Based on the information submitted, it is held that you and your synods, presbyteries and churches whose names appear on pages 542 through 620 inclusive, of the May 1963 edition of part III of the minutes of your general assembly are exempt from Federal income tax as organizations described in section 501 (c)(3) of the Internal Revenue Code of 1954 as it is shown that you and your subordinate units are organized and operated exclusively for religious purposes.

You and your synods, presbyteries and churches are not required to file Federal income tax returns so long as a tax exempt status is maintained.

It will not be necessary for you and your synods, presbyteries and churches to file the annual return of information, Form 990-A, generally required of organizations exempt under section 501(c)(3) of the Code, as the specific exceptions contained in section 6033(a) of the Code are applicable.

Contributions made to you and your synods, presbyteries and churches are deductible by the donors as provided by section 170 of the Code. Bequests, legacies, devises, transfers, or gifts, to or for the use of you and your synods, presbyteries and churches are deductible for Federal estate and gift tax purposes as provided by sections 2055, 2106 and 2522 of the Code.

You and your synods, presbyteries and churches are not liable for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless waiver of exemption certificates are, or have been, filed as provided in that Act. Inquiries about the waiver of exemption certificate should be addressed to your District Director. You and your synods, presbyteries and churches are not liable for the tax imposed under the Federal Unemployment Tax Act.

For next year and each succeeding year thereafter, please send us the following information annually not later than forty-five days after the close of your annual accounting period:

1. Lists, arranged in alphabetical or numerical order, showing the names and mailing addresses of

The United Presbyterian  
Church in the United  
States of America

(a) your new subordinate units and (b) those which have ceased to exist or have changed their names or mailing addresses. One copy of the list should be furnished for use of this office and one additional copy for the use of each District Director in whose district one or more of your subordinate units are located. Directories may be furnished in lieu of the lists referred to above if a directory is published.

2. A statement, signed by one of your principal officers, stating whether or not the information upon which your original group ruling is based is applicable in all respects to your new subordinate units.

3. A statement, if at the close of the year, there were no changes in your roster.

4. A statement of any changes in the character, purposes or method of operation of your organization or those of any of your subordinate units.

5. Duplicate copies of any amendments to the charters or bylaws of your organization or those of any of your subordinate units.

This ruling is not applicable to any of your subordinate units organized and operated in a foreign country.

The District Director in Philadelphia is being advised of this action.

Very truly yours,

s/ R. J. Stakem

Acting Chief, Exempt Organiza-  
tions Branch

# PRESBYTERY OF SAN JOSE

## Presbytery Executive

Rev. Paul J. Masquelier, Jr  
888 Fourth First Street #320  
San Jose, CA 95112  
279-0220 Office  
345-2126 Home  
279-5261 FAX

## Assoc. Presbytery Executive

Rev. Joseph Lee  
888 N. First Street #320  
San Jose, CA 95112  
279-0220 Office  
733-5053 Home  
279-5261 FAX

## Treasurer

Edward Tablak  
1905 Adele Place  
San Jose, CA 95125  
264-7459 Home

## Stated Clerk

John Lococo  
888 N. First Street, Suite D  
San Jose, CA 95112  
279-0661 Office  
287-1163 Home  
971-9255 FAX

## CHURCH NAME

## CHURCH # HOME #

## PASTOR NAME

LOS GATOS 16575 Shannon Road Los Gatos 95032 *Jan Turner, Bob Jones	356-6156 399-9055 wk 249-8313 wk 266-0386	867-3979 hp 265-8314 hp	Kent Lawrence, Interim Jeff Kane, Assoc. Ed Monrow, P.A. Kent Drescher, P.A.
MILPITAS, FIRST 1435 Clear Lake Avenue Milpitas 95035 *Faye Troutner	262-8000 FAX 262-1635	263-0188 262-1945 946-8729	John Bristol Jim Tirone, Assoc. Mike Garner, Assoc.
MONTEREY, FIRST 501 El Dorado Street Monterey 93940 *Helen Wayne	373-3031	394-2838 648-8980	Jay Barlow Sarah Nave, Co-Assoc Dwight Nave, Co-Assoc

B2 '97

## SYNOD OFFICES

The Rev. Philip Young  
Synod Executive  
8 Fourth Street  
Petaluma, CA 94952-3004  
(707) 765-1772  
(707) 765-4467 FAX

The Rev.  
Executive for Administration  
8 Fourth Street  
Petaluma, CA 94952-3004  
(707) 765-1772  
(707) 765-4467 FAX

The Rev. Donald McInnes  
Stated Clerk of Synod  
8 Fourth Street  
Petaluma, CA 94952-3004  
(707) 765-1772  
(707) 765-4467 FAX

The Rev. Jan Willette  
Board of Pensions/Western Area  
2024 Durant Avenue  
Berkeley, CA 94704-1587  
(510) 204-9042  
(510) 204-9044 FAX  
\*Julie Charles

Calvin N. Thomas  
Presbyterian Foundation  
8 Fourth Street  
Petaluma, CA 94952-3004  
(707) 765-2183  
(707) 765-4467 FAX

## MISCELLANEOUS OTHERS

Office of the General Assembly  
The Rev. Clifton Kirkpatrick, Stated Clerk  
100 Witherspoon Street  
Louisville, KY 40202-1396  
(502) 569-5018 FAX  
(502) 569-5000  
(502) 569-5360

Heffernan Peterson Insurance Associates  
Charles Disharoon, C.P.C.U.  
1981 N. Broadway #215  
Walnut Creek, CA 94596  
(408) 262-1778 local access  
(510) 934-8500

A 1 '97

CALIFORNIA STATE BOARD OF EQUALIZATION  
**ORGANIZATIONAL CLEARANCE CERTIFICATE  
 FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION**



Organization Name and Mailing Address:

First Presbyterian Church of Milpitas  
 1000 South Park Victoria Drive

Milpitas

CA 95035

THIS CERTIFICATE NUMBER MUST BE  
 SUBMITTED TO A COUNTY WHEN FILING  
 A CLAIM FOR WELFARE OR VETERANS'  
 ORGANIZATION EXEMPTION.

Organization Information:

Date of Certificate: 12/11/03  
 BOE Ex. No.: 4927  
 Type: Religious  
 Corp. ID: 20254  
 Fiscal Year First Qualified: Information Unavailable

In accordance with section 254.6  
 of the Revenue and Taxation  
 Code, the Board has determined  
 that this organization meets the  
 organizational requirements of  
 section 214.

BOE-277-OC (10-03)

**NOTICE TO ORGANIZATIONS  
 GENERAL INFORMATION REGARDING  
 WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

Your claim for an Organizational Clearance Certificate has been reviewed and a determination has been made that your organization meets the organizational requirements for exemption under section 214. A claim for the organizational clearance certificate will be mailed to the organization periodically to verify and update information. The claim form must be completed, signed, and filed with the Board, along with supporting documents, in order to maintain eligibility for the certificate. The Board may institute an audit or verification of the organization to determine whether the organization meets the organizational requirements of Revenue and Taxation Code section 214, as required by section 15618 of the Government Code. If you have any questions concerning the organizational requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, Assessment Policy and Standards Division, Exemptions Section, at 916-445-3524.

The Assessor may not approve a property tax exemption claim on any property until the claimant has been issued a valid Organizational Clearance Certificate under section 254.6. The Assessor may deny a claim for the exemption, notwithstanding that the claimant has been granted an organizational clearance certificate. Claim forms for the welfare or veterans' organization exemption for property newly acquired by an organization may be obtained from the Assessor in the county where the property is located.

Annually, claims for the welfare and veterans' organization exemptions and supplemental affidavits, if required, must be filed on or before February 15 with the application to the applicable Assessor to avoid a late filing penalty under section 270. (A separate claim must be filed for each property location.) The Assessor will review all claims to determine that the organization continues to use its property for qualifying purposes and activities, as specified in section 214. Any questions relating to section 214 requirements regarding qualifying purposes and uses of the property may be directed to the Assessor.



# CITY OF MILPITAS

207

Mailing Address: 455 East Calaveras Boulevard, Milpitas, California 95035-5479  
www.ci.milpitas.ca.gov

## INVOICE

Renee Dunn  
1000 South Park Victoria Dr  
Milpitas, CA 95035

Project Number: P-SE20-0004  
Address: 1000 S PARK VICTORIA DR  
Invoice Date/Time: 2/3/2020 8:08:45AM

CONTACT: Planning Department

Avery Stark Title: Associate Planner Email: [astark@ci.milpitas.ca.gov](mailto:astark@ci.milpitas.ca.gov) Phone: 408-586-3288

<u>Fee Description</u>	<u>Activity Code</u>	<u>Units</u>	<u>Amount</u>
MINOR EVENTS PLAN	100-3617 (ZN)	0.00	\$909.00
PLANNING AUTOMATION FEE	506-3601 (PAF)	909.00	\$23.63

TOTAL AMOUNT DUE: **\$932.63**

For Finance Dept Use:

100-3617 (ZN)	\$909.00
506-3601 (PAF)	\$23.63
	<u>932.63</u>



\*CRW\*

**SECTION 1: CONTACT INFORMATION AND AUTHORIZATION**

Please complete all of the following:

Event Title: Easter Egg HuntEvent Location (address): Sinnott ParkApplicant name: Renee DunnOrganization: Christ Community ChurchE-mail: reneed@cccmilpitas.org Phone: 408.674.3164Mailing Address: 1000 S. Park Victoria DrCity: Milpitas ZIP: 95035

Day of event contact (if different from applicant completing and submitting the form): \_\_\_\_\_ Phone: \_\_\_\_\_

Except as to the sole negligence or willful miscount of the city, the applicant/permittee shall defend indemnify and hold the city, and its officers, employees and agents harmless from any loss, damage, claim for damage, liability, expense, or cost, including attorneys' fees, which arise out of or is in any way connected with the special event or activity authorized herein. By signing this application, the applicant acknowledges that they may be billed for any unanticipated costs for city services arising from the event as a result of changes to the event or inaccurate application information.

Renee Dunn Renee Dunn  
Printed Name & Signature1/6/2020  
DateSue McKinney Sue McKinney  
Printed Name of Property owner or authorized agent for owner & signature1/6/2020  
Date

**SECTION 2: EVENT INFORMATION**

Please complete all of the following:

Setup/Preparation

Date: 4.4.2020

Event starts

Date: 4.4.2020

Time: 9 am

Event ends

Date: 4.4.2020

Time: 2 pm

Dismantle/Tear down

Date: 4.4.2020

Anticipated attendance:

Total: 1000

Per day: \_\_\_\_\_

**Street closures**

Will this event require any city streets to be closed? ☐ Yes ☒ No

*If yes, specify which streets or cross streets and include a route site map.*

**Food**

If your event will have food preparations please specify cooking method:

Gas ☐

Electric ☐

Charcoal ☐

Other (specify): \_\_\_\_\_

*A permit may be required from the Santa Clara County Department of Public Health at (408) 918-3400.*

**Portable restrooms**

*A minimum of one (1) accessible toilet for persons with disabilities is required when multiple toilets are set side by side. If each toilet is scattered throughout the site, then each toilet must be accessible. Exceptions may be considered by the Building Department.*

**Lighting and sound**

Will you be using any amplified sound (i.e. public address system)? ☐ Yes ☒ No

Will this event use any temporary lighting? ☐ Yes ☒ No

*If yes, please describe:*

**EVENT NARRATIVE****Project Description**

Briefly provide a description of your event, including activities, timeline and sequence of events:

We have 2 program times. 10am & 1pm. Participants will park at the church and attend a play at the church. When it is over we all walk the park for the egg hunt. Each egg hunt lasts approximately 30 minutes.

**Parking**

Describe where event participants are expected to park their vehicles:

Most will park at the church or on the streets surrounding the park. Although there are a lot of people, there are a lot of families traveling together. Christ Community Church has 200 parking spaces.

**Security Plan**

Describe your security plan, including crowd control:

*Include the security company name, contact information and the amount of security personnel.*

Our CIDRM (safety team) will be at the event. They also help with traffic safety as we all walk to the park. There are approx. 10 safety volunteers. They will be wearing vest and using radios to communicate.

**Americans with Disabilities (ADA) compliance**

Describe how your event will be accessible to people with disabilities (such as parking, restrooms and accessible path of travel to all event functions):

Our church follows all of the guidelines required by the Americans with Disabilities Act. We have 8 disabled parking spots.

**Recyclables and garbage handling**

Describe your plan for cleanup and removal of recyclable goods and garbage during and after your event:

We will provide trash cans for our event around the grass area. We will have volunteers canvas the area and pick up trash at the end of the event. Trash will be taken to the church dumpster.



Project Number:

211

P-5520-0034



**RECEIVED**

JAN 30 2020

CITY OF MILPITAS  
PLANNING DIVISION

## **SPECIAL EVENT / ACTIVITY INFORMATION PACKET**

To apply for a Special Event and Activity, please read the enclosed instructions and then complete this Information Packet. Submit a Planning and Zoning Application form and this Special Event/Activity Information Packet, including the required attachments, **no later than 70 business days before the proposed date of the Special Event.**

Please note, other conditions may apply to the filing time requirements, which can be found on Page 2 of this packet.

*MRS. CO.  
Submit for file 1/21/20*

### **Approvals:**

Planning: \_\_\_\_\_ Date: \_\_\_\_\_

Fire: \_\_\_\_\_ Date: \_\_\_\_\_

Police: \_\_\_\_\_ Date: \_\_\_\_\_

Engineering: \_\_\_\_\_ Date: \_\_\_\_\_

Building: \_\_\_\_\_ Date: \_\_\_\_\_

## INSTRUCTIONS

### Introduction

A completed application may be filed as early as one year before an event, but must be received **no later than 70 business days before the proposed date of the Special Event.**

**“Special events and activities”** are any temporary events or activities sponsored by a business, shopping center or organization which are held outside the confines of a permanent building.

- For an event that requires a street closure on more than one public street, requires significant detouring which affects significant number of businesses or residences, or requires an encroachment permit from Caltrans, a Special Event Permit shall be filed not less than 180 business days before the proposed date of the Special Event.
- For First Amendment events not otherwise exempted from the Special Event permit requirement by the Milpitas Municipal Code, Section XI-10-15.06, as well processions or parades that do not involve street closures, vehicles, floats, or use of equipment other than hand-held equipment, an application for a Special Event Permit shall be filed not less than 14 business days before the proposed date of the Special Event.
- Permit applications which do not adhere to the application filing time requirements in this Section may be subject to additional fees arising as a direct result of the late submission of a Special Event Permit application. The Director shall have the authority to consider, grant or deny any application for a Special Event Permit which is filed later than the time prescribed in this Section.
- *For further information, please refer to the Milpitas Municipal Code, Section XI-10-15, titled “Special Events and Activities.”*

**It is our goal to help the event organizers in planning a safe and successful event that would create minimal impacts on the surrounding neighborhoods.**

## WHAT TO EXPECT

The application process begins when you submit a completed application. The acceptance of this application should in no way be construed as approval of your request. Copies of the application will be sent to affected departments for their review. During the review, you will be notified if any additional information is required to process the application. You may be invited to meet with city staff at a pre-determined meeting called the Development Review Committee (DRC) to discuss the event prior to any approvals. Delays in providing information to city staff often delay the ability of the DRC to finish review and approve the application in a timely manner.

- Events that occur between one and three days can be reviewed by staff.
- Events that occur more than three days require review by the Planning Commission Subcommittee.
- Any event that has amplified music or live entertainment regardless of duration requires review by the Planning Commission Subcommittee.

## QUESTION TO GET STARTED

- **Will the event be held exclusively on private property? If so, you will need to have the property owner sign the application for use of the site.**

*This event will not require off site parking, or the use of public right-of-way (except running/jogging events).*

☐ Yes ☒ No

*If you answered yes to the question above, your event is considered a "Minor" event. All other events are considered "Major".*

YOU ARE INVITED TO A FREE COMMUNITY  
**EGG HUNT**  
 ON **APRIL 4**

**TWO EVENTS: 10am & 1pm**  
*Ages: 2yrs-5th Grade*

*Exciting children's program,  
 door prizes, and then follow the  
 Easter Bunny to the park.*



CHRIST  
COMMUNITY  
CHURCH

1000 S. Park Victoria Dr. Milpitas, CA 95035  
 408-262-8000 [www.cccmilpitas.org](http://www.cccmilpitas.org)

Welcome Bienvenidos 歡迎 Tuloy Po Kayo Chào mừng

YOU ARE INVITED TO A FREE COMMUNITY  
**EGG HUNT**  
 ON **APRIL 4**

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CHRIST  
COMMUNITY  
CHURCH

1000 S. Park Victoria Dr. Milpitas, CA 95035  
 408-262-8000 [www.cccmilpitas.org](http://www.cccmilpitas.org)

Welcome Bienvenidos 歡迎 Tuloy Po Kayo Chào mừng

# CITY COUNCIL UNALLOCATED COMMUNITY PROMOTIONS BUDGET

## Fee Waiver + Other Requests by FY

Fee Waiver or Donation Requested by:	Event/Activity	Event Date	\$ Amount waived or donated	Date Approved or Scheduled for City Council Consideration	City Council Community Promotions Unallocated 100-100-4203 balance
<b><u>FY 2019-20</u></b>					\$25,000.00
Korean Language & Culture Foundation	Hangeul Day @Library - donation	9/19/2019	\$500.00	approved 9/3/2019	\$24,500.00
Milpitas Community Educational Endowment	Mid-Autumn Festival - donation	9/28/2019	\$500.00	approved 9/3/2019	\$24,000.00
American Cancer Society	Bark for Life run/walk - park rental fee waiver	10/5/2019	\$1,412.63	approved 9/17/2020	\$22,587.37
Sunnyhills Neighborhood Association	Halloween event - Park + Permit fee waiver	10/26/2019	\$1,112.63	approved 10/01/2019	\$21,474.74
Greater Love Church of God in Christ	carwash fundraiser - Permit fee waiver	10/5, 12 & 25, & 11/01/2019	\$932.63	approved 11/05/2019	\$20,542.11
Pragnya	Health 360 - waive rental fee for Community Center Auditorium	11/10/2019	\$1,000.00	approved 11/19/2019	\$19,542.11
Kiwanis Club of Milpitas	Crab feed - waive rental fee for Community Center Auditorium	2/07/2020	\$1,200.00	approved 11/19/2019	\$18,342.11
Milpitas Unified Schools	Parade - waive Special Event Permit fee	2/01/2020	\$932.63	approved 1/28/2020	\$17,409.48
Christ Community Church	Easter Egg Hunt -special event fee + park rental	4/04/2020	\$1,500.00	scheduled 3/03/2020	
Friends of the Milpitas Library	Hang event banner - special event permit fee	6/5-7/2020, 9/25-27/2020	\$112.86	scheduled 3/03/2020	

**C13. Receive Summary Report on Assembly Bill 291 and Senate Bill 378 and Authorize Letters of Support (Staff Contact: Christopher Diaz, 408-586-3040)**

Recommendation: Receive summary report on Assembly Bill 291 and Senate Bill 378 and authorize letters of support.





## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Receive Summary Report on Assembly Bill 291 and Senate Bill 378 and Authorize Letters of Support</b>
<b>Category:</b>	Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	<b>Christopher J. Diaz, City Attorney, 408-586-3040</b>
<b>Recommendation:</b>	Receive summary report on Assembly Bill 291 and Senate Bill 378 and authorize letters of support.

### **Background:**

City Council has expressed a desire to receive reports on legislative efforts that may be of interest to and/or affect the City of Milpitas. Assembly Bill 291 and Senate Bill 378 are two such legislative bills being brought to City Council's attention for consideration of letters of support.

### **Analysis:**

#### **Assembly Bill 291 – Introduced by Assembly Member Kansen Chu**

AB 291 would establish a new state fund and a framework for funding for emergency preparedness planning for cities.

The California Office of Emergency Services ("Cal OES") is responsible for the state's emergency and disaster response services. AB 291 would establish a new state fund, the "Local Emergency Preparedness and Hazard Mitigation Fund" to support staffing, planning, and other emergency mitigation priorities to help local governments meet emergency management, preparedness, readiness, and resilience goals. The bill would require Cal OES to establish a committee to adopt guidelines identifying eligible uses of the funds for the mitigation, prevention, preparedness, response, and recovery phases of emergency management. Cal OES would distribute the funds to lead agencies, which then impose various requirements on and further distribute those funds to local governments. Local governments must maintain their local hazard mitigation, multiyear training and exercise, and threat and hazard identification and risk assessment plans to be eligible to receive the state funding. AB 291 has passed in the Assembly and is currently in the Senate.

According to Assemblymember Chu, the following entities have expressed support for the bill: League of California Cities, California Fire Chiefs Association, Fire Districts Association in California, California Emergency Services Association, City of San Jose, County of Santa Clara, and the California Tribal Business Alliance.

#### **Senate Bill 378 – Introduced by Senator Scott Wiener**

SB 378 proposes to hold PG&E and other utilities financially accountable for Public Safety Power Shutoffs. The bill provides that utilities may not bill customers for certain costs resulting from a power shutoff, cannot profit from a power shutoff, and that any loss from a blackout must be borne by a utility's shareholders rather than ratepayers. Additionally, utilities must notify cities and counties as early as possible of pending power shutoffs. The bill tasks the California Public Utilities Commission ("CPUC") with establishing a procedure that enables businesses, individuals, and local governments affected by a power shutoff to recover their costs accrued during a shutoff from utilities in a timely manner.

The bill further requires utilities to regularly report to the CPUC on the condition and maintenance of, and the safety risk posed by, its equipment, which include transmission and distribution lines. Lastly, if the CPUC

determines that a utility failed to act reasonably and prudently in implementing a power shut off, the utility be fined a penalty of \$250,000 or more per 50,000 customers affected for every hour that a power shutoff is in place. The utility's shareholders would be exclusively responsible for paying this penalty. The bill passed in the Senate and is currently in the Assembly.

According to Senator Wiener, the following entities and individual have expressed support for the bill: City of San Jose; California Association of Food Banks; City of Berkeley; City of Dublin; City of Livermore; City of Oakland; City of Pleasanton; City of San Ramon; County of Alameda; Food Bank of Contra Costa and Solano Counties; Mayor London Breed, City and County of San Francisco; San Francisco Public Utilities Commission; and the Town of Danville.

**Fiscal Impact:** None identified at this time.

**California Environmental Quality Act:**

Not applicable

**Recommendation:**

Receive summary report on Assembly Bill 291 and Senate Bill 378 and authorize letters of support.

**Attachments:**

Copy of AB 291, as amended 1/23/2020

Copy of SB 378, as amended 1/21/2020



AMENDED IN ASSEMBLY JANUARY 23, 2020

AMENDED IN ASSEMBLY APRIL 30, 2019

AMENDED IN ASSEMBLY APRIL 22, 2019

AMENDED IN ASSEMBLY MARCH 25, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

## ASSEMBLY BILL

**No. 291**

### Introduced by Assembly Member Chu

January 28, 2019

An act to add Article ~~21~~ 23 (commencing with Section ~~8669~~ 8669.8) to Chapter 7 of Division 1 of Title 2 of the Government Code, relating to emergency services.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 291, as amended, Chu. Local Emergency Preparedness and Hazard Mitigation Fund.

The California Emergency Services Act creates within the office of the Governor the Office of Emergency Services, which is responsible for the state's emergency and disaster response services, as specified. Existing federal law requires a state mitigation plan as a condition for disaster assistance and authorizes the Federal Emergency Management Agency to condition mitigation grant assistance upon state, local, and Indian tribal governments undertaking coordinated disaster mitigation planning and implementation measures.

Existing law requires the Office of Emergency Services, in coordination with all interested state agencies with designated response roles in the state emergency plan and interested local emergency management agencies, to jointly establish by regulation a standardized

emergency management system for use by all emergency response agencies.

This bill would establish a Local Emergency Preparedness and Hazard Mitigation Fund ~~to~~ *to, upon appropriation by the Legislature,* support staffing, planning, and other emergency mitigation priorities to help local governments meet emergency management, preparedness, readiness, and resilience goals. ~~The bill would, upon appropriation by the Legislature, require the Controller to transfer \$500,000,000 to the fund.~~ The bill would require the Office of Emergency Services to establish the Local Emergency Preparedness and Hazard Mitigation Fund Committee under the Standardized Emergency Management System Advisory Board. The bill, on or before July 1, ~~2020, 2021,~~ would require the committee to adopt guidelines identifying eligible uses of the funds ~~by establishing an outline of standard activities distributed pursuant to these provisions~~ for the mitigation, prevention, preparedness, response, and recovery phases of emergency management that supports the development of a resilient community. The bill would require, upon appropriation by the Legislature, the Office of Emergency Services to receive \$1,000,000 annually and each county to receive \$500,000 annually for specified purposes. The bill would require the Office of Emergency Services to distribute funds to lead agencies, subject to certain requirements and restrictions, as specified. The bill would require lead agencies to further distribute those funds to local governments pursuant to a specified schedule for specified purposes, and impose various requirements on local governments that receive funds pursuant to these provisions. The bill would include related legislative findings.

The California Disaster Assistance Act limits the state share for any eligible project to no more than 75% of total state eligible costs, except that the state share shall be up to 100% of total state eligible costs connected with certain events. That act requires the director to administer its provisions.

This bill would prohibit the director from using funds received by a local government pursuant to the provisions of this bill to calculate the allocation amounts for the local government pursuant to the California Disaster Assistance Act.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Article 21 (commencing with Section 8669) is~~  
2     ~~added to Chapter 7 of Division 1 of Title 2 of the Government~~  
3     ~~Code, to read:~~

4     ~~SECTION 1. Article 23 (commencing with Section 8669.8) is~~  
5     ~~added to Chapter 7 of Division 1 of Title 2 of the Government~~  
6     ~~Code, to read:~~

7  
8         ~~Article 21:~~23. Local Emergency Preparedness and Hazard  
9                 Mitigation Fund

10  
11     ~~8669.~~

12     8669.8. The Legislature finds and declares all of the following:

13     (a) To protect public health and safety and the environment, it  
14     is necessary to establish a high level of preparedness in counties,  
15     cities, and special districts to respond to disasters. The  
16     establishment of a high level of preparedness at the local  
17     government level is of statewide concern because of the possibility  
18     of catastrophic disasters striking the citizens of the state especially  
19     as the state faces the impacts of climate change.

20     (b) The establishment of a local disaster preparedness fund is  
21     the basis for achieving the stable funding necessary to maintain a  
22     high level of local preparedness and readiness, including the  
23     ongoing evaluation and hazard mitigation of existing risks before  
24     a disaster strikes, that the citizens of the state deserve and need.

25     (c) The funds generated pursuant to this article should be  
26     available to eligible local governments in order to provide  
27     flexibility to manage hazard mitigation programs, develop needed  
28     emergency operations plans and response procedures, establish  
29     emergency management facilities, and provide necessary training  
30     as the local hazards and state of preparedness may dictate.

31     (d) The funds generated pursuant to this article should be  
32     administered to benefit the overall state of preparedness of all  
33     eligible local government agencies, to enhance regional planning  
34     and response and hazard mitigation, and to ensure a high degree  
35     of accountability to the public and its elected representatives.

36     ~~8669.1.~~

37     8669.81. For purposes of this article, the following definitions  
38     apply:

1 (a) “Director” means the Director of Emergency Services.

2 (b) “Fund” means the Local Emergency Preparedness and  
3 Hazard Mitigation Fund established pursuant to Section ~~8669.2~~.  
4 ~~8669.82~~.

5 (c) “Committee” means the Local Emergency Preparedness and  
6 Hazard Mitigation Fund Committee established pursuant to Section  
7 ~~8669.3~~. ~~8669.83~~.

8 (d) “Board” means the Standardized Emergency Management  
9 System Advisory Board.

10 (e) “Eligible local government” means a local government with  
11 responsibilities to respond or assist in response to disasters,  
12 consistent with local emergency plans.

13 (f) “Lead agency” means the lead agency of an operational area.

14 (g) “Local government” means a city, county, city and county,  
15 or special district.

16 (h) “Operational area” has the same meaning as set forth in  
17 Section 8559.

18 (i) “Hazard mitigation” ~~means an action taken to reduce or~~  
19 ~~eliminate the long-term risk to human life and property from natural~~  
20 ~~hazards and improve community emergency preparedness and~~  
21 ~~resilience. has the same meaning as defined in the most current~~  
22 ~~version of the State of California Emergency Plan.~~

23 ~~8669.2.~~  
24 ~~8669.82.~~ The Local Emergency Preparedness and Hazard  
25 Mitigation Fund is hereby created within the State Treasury.  
26 Moneys in the Local Emergency Preparedness and Hazard  
27 Mitigation Fund shall be ~~available~~ *available, upon appropriation*  
28 *by the Legislature*, for purposes of distributing funds pursuant to  
29 this article to support, staffing, planning, and other emergency  
30 mitigation priorities to help local governments meet emergency  
31 management, preparedness, readiness, and resilience goals. ~~Upon~~  
32 ~~appropriation by the Legislature, the Controller shall transfer five~~  
33 ~~hundred million dollars (\$500,000,000) annually to the fund.~~

34 ~~8669.3.~~  
35 ~~8669.83.~~ (a) The Office of Emergency Services shall establish  
36 the Local Emergency Preparedness and Hazard Mitigation Fund  
37 Committee under the supervision of the Standardized Emergency  
38 Management System Advisory Board.

39 (b) The committee shall include the following representatives:

40 (1) The director or the director’s appointee.

~~(2) A representative from the California Emergency Services Association.~~

~~(3) A representative from the California State Association of Counties.~~

~~(4) A representative from the League of California Cities.~~

~~(5) From~~

*(2) The following representatives that each of the three Office of Emergency Services Mutual Aid Administrative Regions shall select:*

~~(A) One representative from a city with a population of 300,000 or more.~~

~~(B) One representative from a city with a population of less than 300,000.~~

~~(C) One representative from a city within the region that is not also a person serving on the commission pursuant to subparagraph (A).~~

*(A) One representative of a city with a population among the 10 largest in the state and one representative of a county with a population among the 10 largest in the state.*

*(B) One representative of a city that both has a population not less than 100,000 and is not represented pursuant to subparagraph (A) and one representative of a county that both has a population not less than 100,000 and is not represented pursuant to subparagraph (A).*

*(C) One representative of a city with a population less than 100,000 and one representative of a county with a population less than 100,000.*

*(D) One representative of a special district.*

~~(E) One representative from a county with 700,000 or more in population.~~

~~(F) One representative from a county with less than 700,000 in population.~~

~~(G)~~

*(E) One representative from a tribal government.*

*(F) For purposes of this paragraph, population shall be based on the most recent estimate of population data determined by the Demographic Research Unit of the Department of Finance.*

~~(6)~~

*(3) The Director of CAL FIRE or the director's designee.*

~~(7)~~

(4) The Executive Director of the Seismic Safety Commission or that person's designee.

~~(8)~~

(5) The Chief Executive Officer of the California Earthquake Authority or that person's designee.

(c) The committee members selected pursuant to subdivision (b) shall each serve a term of two years.

~~8669.4.~~

8669.84. (a) The committee shall report to the board. The board shall meet every six months to hear committee reports.

(b) On or before July 1, ~~2020~~, 2021, the committee shall adopt guidelines identifying eligible uses of the funds ~~by establishing an outline of standard activities consistent with Section 8669.86~~ for the mitigation, prevention, preparedness, response, and recovery phases of emergency management that supports the development of a resilient community.

~~8669.5.~~

8669.85. (a) To receive funds pursuant to this article, an eligible local government shall maintain their local hazard mitigation ~~plan and updated annually~~, *plan, multiyear training and exercise plan, and threat and hazard identification and risk assessment plan*, in accordance with regulations adopted by the Office of Emergency Services. *If a local government does not have any of these plans, it may use funds allocated from the Fund to develop a plan.* ~~The update to the local hazard mitigation plan updates to these plans~~ shall form the work plan for the local government. The local government work plans, together, shall become part of an operational area work plan and shall guide the use of all funds allocated from the ~~Local Emergency Preparedness and Hazard Mitigation~~ Fund to jurisdictions within an operational area. The work plan shall contain measurable disaster preparedness and hazard mitigation goals and objectives.

(b) (1) The lead agency for an operational area, as identified by the agreement that establishes the operational area, shall forward annually a copy of the updated work plan and shall submit a biennial report on work plan projects to the Office of Emergency Services.

(2) Within 160 days following a proclaimed emergency, the Governor and the Legislature may request an operational area to

1 report on how funds allocated pursuant to this article contributed  
2 to the area's response.

3 ~~8669.6.~~

4 8669.86. (a) A local government that receives funds pursuant  
5 to this article shall identify in the work plan how the funds are to  
6 be used, in the following categories:

7 (1) ~~Funding~~ *Implementing* hazard mitigation projects, including,  
8 but not limited to, the following:

9 (A) Physical projects that will reduce risk or loss from  
10 earthquakes, floods, ~~fire, fires~~, or other disaster agents.

11 (B) Local share requirements for state or federal hazard  
12 mitigation grants.

13 (2) ~~Development of~~ *Developing* emergency operations plans,  
14 protocols, procedures, field operation guidance, or similar planning  
15 and response tools, including establishment and maintenance of  
16 emergency supply stockpiles.

17 (3) Upgrading or establishing emergency facilities from which  
18 the agency can manage personnel and resource response to an  
19 emergency or disaster. For purposes of this paragraph, "emergency  
20 facilities" includes, but is not limited to, emergency operations  
21 centers and communications systems used for coordination within  
22 a jurisdiction or between jurisdictions.

23 (4) Training in emergency management and disaster response,  
24 including, but not limited to, ensuring that staff can address  
25 emergency preparedness and response needs for ~~the most~~  
26 ~~vulnerable community members to ensure cultural and linguistic~~  
27 ~~competency in disaster preparedness. For purposes of this~~  
28 ~~paragraph, "vulnerable community members" includes seniors,~~  
29 ~~children, and individuals with language barriers. those projects~~  
30 ~~that serve the access and functional needs population, as defined~~  
31 ~~in subdivision (b) of Section 8593.3.~~

32 (b) At the end of each fiscal year, an eligible local government  
33 shall confirm that funds were used for programs in the categories  
34 described in subdivision (a), and shall submit appropriate  
35 documentation to the lead agency with an annual update to the  
36 eligible local government's element of the work plan.

37 ~~8669.7.~~

38 8669.87. (a) (1) A local government that receives funds shall  
39 submit reports to their respective operational area, and the

1 operational area shall forward the reports to the Office of  
2 Emergency Services.

3 (2) The Office of Emergency Services shall present reports  
4 forwarded to it pursuant to paragraph (1) to the committee. The  
5 committee may make recommendations for improvement *of the*  
6 *eligible projects and programs, improvement of the reporting*  
7 *structure*, and may withhold future project allocations if it  
8 determines program funds are not being appropriately spent.

9 (b) The Office of Emergency Services shall, upon appropriation  
10 by the Legislature pursuant to Section 8669.2, Legislature, receive  
11 one million dollars (\$1,000,000) annually and each county shall  
12 receive five hundred thousand dollars (\$500,000) annually for  
13 administrative costs and other purposes to implement this article.  
14 Subject to paragraph (2) of subdivision (a), the Office of  
15 Emergency Services shall distribute the remaining funds, on an  
16 annual basis, to the lead agency of an operational area. The lead  
17 agency of the operational area shall agree to manage and control  
18 funds received pursuant to this article, in compliance with this  
19 article. The lead agency shall distribute the funds as follows:

20 (1) ~~Sixty percent of the funds to the operational area lead agency~~  
21 ~~and all eligible cities within the operational area on a per capita~~  
22 ~~basis, based on a formula to be developed by the committee that~~  
23 ~~factors a community's high hazard risk factors based on maps~~  
24 ~~produced by the Office of Emergency Services in the State Hazard~~  
25 ~~Mitigation Plan that identify areas of the state with the most~~  
26 ~~vulnerable populations with earthquake, flood, and fire hazards.~~  
27 ~~Funding distributed pursuant to this paragraph may be carried over~~  
28 ~~to subsequent fiscal years as long as projects are ongoing. for direct~~  
29 ~~distribution to cities and unincorporated areas within the~~  
30 ~~operational area on a per capita basis, with a minimum distribution~~  
31 ~~amount of one hundred thousand dollars (\$100,000).~~

32 (2) ~~Fifteen percent via a competitive grant process established~~  
33 ~~by the lead agency to eligible special districts, local or tribal~~  
34 ~~governments, and nonprofit, faith-based, and other voluntary~~  
35 ~~organizations active in disaster preparedness within the operational~~  
36 ~~area. for high risk zones with high hazard risk factors based on~~  
37 ~~maps produced by the Office of Emergency Services in the State~~  
38 ~~Hazard Mitigation Plan that identify areas of the state with the~~  
39 ~~most vulnerable population, including people that are located in~~



1 *areas with earthquake, flood, and fire hazards and have access*  
2 *and functional needs or social vulnerabilities.*

3 ~~(3) Twenty-five percent to an operational area trust fund~~  
4 ~~established for projects of common benefit to two or more eligible~~  
5 ~~local governments within the operational area for purposes of this~~  
6 ~~article. All local governments within the operational area shall~~  
7 ~~mutually agree upon projects of common benefit that qualify under~~  
8 ~~this paragraph. distributed per capita, per operational area to~~  
9 ~~establish a competitive grant process agreed upon by all~~  
10 ~~jurisdictions within the boundary of each county to support projects~~  
11 ~~of common benefit for two or more eligible local governments.~~  
12 ~~Funds can be used to support projects that include unincorporated~~  
13 ~~counties, cities, special districts, tribal governments, and nonprofit,~~  
14 ~~faith-based, and other voluntary organizations active in disaster~~  
15 ~~preparedness.~~

16 (c) (1) The operational area and local governments within the  
17 operational area shall determine mitigation and preparedness  
18 stakeholders, and shall facilitate the coordination and input from  
19 government departments on cross-departmental and  
20 cross-jurisdictional projects identified in the respective local hazard  
21 mitigation plan.

22 (2) The amount of state funds received by a local agency within  
23 an operational area shall not be reduced by any other local agency  
24 within the operational area due to an allocation from the fund or  
25 an operational area trust fund.

26 (d) (1) To be eligible to receive funds pursuant to this article,  
27 a local government shall do the following:

28 (A) Commit to continuing to contribute local funds equal to the  
29 average of that amount that was committed over the last five years  
30 to emergency management staffing, preparedness, readiness, and  
31 resilience.

32 (B) Create and update, on an annual basis, *a work plan that*  
33 *addresses projects or programs identified in a local hazard*  
34 *mitigation plan, a multiyear training and exercise plan, or a*  
35 *threat hazard identification and risk assessment plan* that identifies  
36 how funds received pursuant to this section shall be spent on  
37 emergency mitigation, prevention, preparedness, response, and  
38 recovery. The work plan shall contain measurable emergency  
39 management, preparedness, readiness, resilience, and hazard  
40 mitigation goals and objectives. The work plan shall be reviewed

1 by the lead agency, and submitted to the Office of Emergency  
2 Services.

3 (C) Submit an annual report to the lead agency outlining  
4 expenditures and progress toward the local hazard mitigation plan  
5 goals.

6 (2) A local government that receives funds pursuant to this  
7 section shall not use those funds to supplant current emergency  
8 management funding.

9 (e) An operational area or other recipient of funds pursuant to  
10 this article may use a percentage of funds received, consistent with  
11 federal emergency preparedness grants, for the purposes of  
12 management and administration costs.

13 (f) The director shall not use funds received by a local  
14 government pursuant to this section to calculate the allocation  
15 amounts for the local government pursuant to Article 4  
16 (commencing with Section 8685) of Chapter 7.5.

AMENDED IN SENATE JANUARY 21, 2020

AMENDED IN SENATE JANUARY 6, 2020

AMENDED IN SENATE SEPTEMBER 6, 2019

AMENDED IN SENATE MARCH 25, 2019

## SENATE BILL

**No. 378**

### **Introduced by Senator Wiener**

(Principal coauthor: Assembly Member Kalra)

**(Coauthor: Senator Wilk)**

(Coauthors: Assembly Members Chiu, Cunningham, Eggman, Lackey, Levine, and Mark Stone)

February 20, 2019

An act to add Sections 592, ~~707.3, 707.5~~, 748, 776.7, 911.3, and 2111.5 to the Public Utilities Code, relating to electricity.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 378, as amended, Wiener. Electrical corporations: deenergization events: procedures: allocation of costs: reports.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires every public utility to furnish any reports required by the commission. *Existing law requires the commission to establish the Wildfire Safety Division within the commission to undertake specified tasks. Existing law, effective July 1, 2021, transfers all functions of the Wildfire Safety Division to the Office of Energy Infrastructure Safety.*

This bill would require each electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ to annually submit a report to the ~~commission, the Office of Emergency Services, the Department of Forestry and Fire Protection, the Independent System~~

~~Operator, and county governments within its service territory Wildfire Safety Division and, after June 30, 2021, to the Office of Energy Infrastructure Safety, that includes the age, useful life, and condition of the electrical corporation's equipment, inspection dates, and maintenance records for its equipment, investments to maintain and improve the operation of its transmission and distribution facilities, and an assessment of the current and future fire and safety risk posed by the equipment.~~

~~Existing law requires the commission to institute a rulemaking proceeding by March 1, 2012, for the purpose of considering and adopting a code of conduct, associated rules, and enforcement procedures, as specified, to govern the conduct of an electrical corporation relative to the consideration, formation, and implementation of community choice aggregation programs and to implement the code of conduct, associated rules, and enforcement procedures by January 1, 2013.~~

~~This bill would prohibit the commission from allowing an electrical corporation to recover in rates costs associated with the electrical corporation's opposition to the consideration, formation, implementation, or expansion of a local publicly owned electric utility, electrical cooperative, or microgrid, self-generation, or distributed resource program or policy or to other efforts to expand the electrical service options available to consumers. The bill would require the commission to ensure that an electrical corporation does not market against those efforts, except through an affiliate that is funded exclusively by the electrical corporation's shareholders, and would impose other related requirements on the commission.~~

Existing law requires each electrical corporation to annually prepare and submit a wildfire mitigation plan to the commission for review and approval, as specified. Existing law requires a wildfire mitigation plan of an electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communications infrastructure.

*Existing law establishes an independent Public Advocate's Office within the commission with the goal to obtain the lowest possible rate for service consistent with reliable and safe service levels.*

This bill would require the commission, in consultation with the ~~Department of Consumer Affairs, Public Advocate's Office~~, on or before June 1, 2021, to establish a procedure for customers, local governments, and others affected by a deenergization event to recover costs accrued during the deenergization event from an ~~electrical corporation with more than 2,500,000 electrical service connections in California.~~ *corporation, within specified time periods.* The bill would require an ~~electrical corporation with more than 2,500,000 electrical service connections in California,~~ *corporation*, on or before June 1, 2021, to create a fund, of an amount to be determined by the commission, for the recovery of costs accrued by ~~establish a memorandum account to track expenses paid to~~ customers, local governments, and others ~~during for claims resulting from~~ a deenergization event. ~~The bill would require that money be paid into the fund exclusively by the electrical corporation's shareholders, would prohibit expenses paid by the fund from being recovered either directly or indirectly in rates, and would require that those expenses be borne exclusively by the shareholders of the electrical corporation.~~ *The bill would require the commission to establish rules to determine whether the expenses paid can be recovered from ratepayers.* The bill would prohibit an electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ from billing customers for any nonfixed costs during a deenergization event or from charging customers increased amounts after a deenergization event in order to offset losses accrued during a deenergization event. The bill would require, on or before June 1, 2021, that any profit accrued by an ~~electrical corporation with more than 2,500,000 electrical service connections in California~~ *corporation*, due to a deenergization ~~event that is determined by the commission to have been undertaken in an unreasonable or imprudent manner,~~ be remitted or credited to its ratepayers, ~~while and that~~ any loss be borne by the electrical corporation's shareholders.

This bill would require an electrical corporation ~~with more than 2,500,000 electrical service connections in California~~ to provide notification of a pending deenergization event as early as possible to the cities and counties within its service territory and to other local governmental entities upon their request, and to share information relating to a deenergization event with local governmental entities, as specified.

This bill would require the commission to biennially produce a report on the economic, environmental, public health, and public safety impacts

of deenergization events, using information provided by electrical corporations ~~with more than 2,500,000 electrical service connections in California~~ and independent analysis.

Existing law provides for the imposition of fines and civil penalties for the violation of the California Constitution, statutes, or an order, decision, or requirement of the commission by a public utility.

**This**

*If the commission determines that the electrical corporation failed to act in a reasonable and prudent manner in its implementation and execution of a deenergization event, this bill would provide that an electrical corporation is subject to a civil penalty of not less than \$500,000 \$250,000 per 50,000 affected customers for every hour that a deenergization event is in place, and would require that the penalty be borne exclusively by the electrical corporation's shareholders.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime, when a penalty has not otherwise been provided.

Because the provisions of this bill would be a part of the act and would require action to be taken by the commission to implement its requirements, and because penalties are not provided for certain of the bill's requirements, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 592 is added to the Public Utilities Code,
- 2 to read:
- 3 592. (a) The commission shall direct each electrical corporation
- 4 ~~with more than 2,500,000 electrical service connections in~~
- 5 ~~California to submit an annual report to the commission, the Office~~
- 6 ~~of Emergency Services, the Department of Forestry and Fire~~
- 7 ~~Protection, the Independent System Operator, and county~~
- 8 ~~governments within its service territory~~ *Wildfire Safety Division*

1 *and, after June 30, 2021, to the Office of Energy Infrastructure*  
2 *Safety, that includes all of the following:*

3 (1) The age, useful life, and condition of the electrical  
4 corporation's equipment.

5 (2) For all equipment subject to inspection, the date of the most  
6 recent inspections.

7 (3) The maintenance records for the electrical corporation's  
8 equipment.

9 (4) A list of the electrical corporation's investments made in  
10 the preceding year to maintain and improve the operation of its  
11 transmission and distribution facilities.

12 (5) An assessment of the current and future fire and safety risk  
13 posed by the equipment.

14 (b) ~~The commission~~ *Wildfire Safety Division, or after June 30,*  
15 *2021, the Office of Energy Infrastructure Safety,* shall post each  
16 submitted report on its internet website.

17 (c) For purposes of this section, "deenergization event" has the  
18 same meaning as defined in Section 748.

19 ~~SEC. 2.—Section 707.3 is added to the Public Utilities Code, to~~  
20 ~~read:~~

21 ~~707.3.—(a) The commission shall not allow an electrical~~  
22 ~~corporation to recover in rates costs associated with the electrical~~  
23 ~~corporation's opposition either to the consideration, formation, or~~  
24 ~~implementation of a new local publicly owned electric utility or~~  
25 ~~electrical cooperative, or to the expansion of an existing local~~  
26 ~~publicly owned electric utility or electrical cooperative.~~

27 ~~(b) The commission shall do all of the following:~~

28 ~~(1) Ensure that an electrical corporation does not market against~~  
29 ~~the consideration, formation, implementation, or expansion of a~~  
30 ~~local publicly owned electric utility or electrical cooperative, except~~  
31 ~~through an affiliate that is funded exclusively by the electrical~~  
32 ~~corporation's shareholders.~~

33 ~~(2) Require that an electrical corporation's marketing against~~  
34 ~~the consideration, formation, implementation, or expansion of a~~  
35 ~~local publicly owned electric utility or electrical cooperative be~~  
36 ~~conducted by an affiliate of the electrical corporation and not by~~  
37 ~~a marketing division of the electrical corporation, subject to affiliate~~  
38 ~~transaction rules to be developed by the commission.~~

39 ~~(3) Limit an electrical corporation's affiliate's use of support~~  
40 ~~services from the electrical corporation's ratepayer-funded~~

1 divisions, and ensure that an electrical corporation's affiliate is  
2 allocated the costs of any permissible support services from the  
3 electrical corporation's ratepayer-funded divisions on a fully  
4 allocated embedded cost basis, with the corporation providing  
5 detailed public reports of such use.

6 (4) Ensure that an electrical corporation's affiliate does not have  
7 access to competitively sensitive information.

8 SEC. 3. Section 707.5 is added to the Public Utilities Code, to  
9 read:

10 707.5. (a) The commission shall not allow an electrical  
11 corporation to recover in rates costs associated with the electrical  
12 corporation's opposition to the consideration, formation,  
13 implementation, or expansion of a microgrid, self-generation, or  
14 distributed resource program or policy or to other efforts to expand  
15 the electrical service options available to consumers.

16 (b) The commission shall do all of the following:

17 (1) Ensure that an electrical corporation does not market against  
18 the consideration, formation, implementation, or expansion of a  
19 microgrid, self-generation, or distributed resource program or  
20 policy or against other efforts to expand the electrical service  
21 options available to consumers, except through an affiliate that is  
22 funded exclusively by the electrical corporation's shareholders.

23 (2) Require that an electrical corporation's marketing against  
24 the consideration, formation, implementation, or expansion of a  
25 microgrid, self-generation, or distributed resource program or  
26 policy, or against other efforts to expand the electrical service  
27 options available to consumers, be conducted by an affiliate of the  
28 electrical corporation and not by a marketing division of the  
29 electrical corporation, subject to affiliate transaction rules to be  
30 developed by the commission.

31 (3) Limit an electrical corporation's affiliate's use of support  
32 services from the electrical corporation's ratepayer-funded  
33 divisions, and ensure that an electrical corporation's affiliate is  
34 allocated the costs of any permissible support services from the  
35 electrical corporation's ratepayer-funded divisions on a fully  
36 allocated embedded cost basis, with the corporation providing  
37 detailed public reports of such use.

38 (4) Ensure that an electrical corporation's affiliate does not have  
39 access to competitively sensitive information.



~~SEC. 4.~~

*SEC. 2.* Section 748 is added to the Public Utilities Code, to read:

748. (a) For purposes of this section, “deenergization event” means an intentional, temporary termination of electrical service to an area for the purpose of reducing or eliminating the risk of wildfires resulting from the operation of the electrical grid or related facilities.

(b) (1) On or before June 1, 2021, the commission, in consultation with the ~~Department of Consumer Affairs~~, *Public Advocate’s Office*, shall establish a procedure to do both of the following:

(A) To enable customers and others affected by a deenergization event to recover costs accrued during the deenergization event from an electrical corporation ~~with more than 2,500,000 electrical service connections in California within two weeks of the end of~~ *within the utility bill encompassing the dates of* the event.

(B) To enable local governments affected by a deenergization event to recover costs accrued during the deenergization event from an electrical corporation ~~with more than 2,500,000 electrical service connections in California within two weeks of billing the~~ electrical corporation for those costs.

(2) Costs recoverable under this section *may* include, but are not limited to, assets, revenue, and wages lost as a direct result of a deenergization event, medical bills, travel expenses, lodging costs, and other incidental expenses incurred as a direct result of a deenergization event, and local government planning and response activity costs directly related to a deenergization event.

(c) On or before June 1, 2021, the commission shall require an electrical corporation ~~with more than 2,500,000 electrical service connections in California to create a fund, of an amount to be determined by the commission, to fund recovery of costs accrued by to establish a memorandum account to track expenses paid to~~ customers, local governments, and others ~~during for claims resulting from~~ a deenergization event. ~~Moneys shall be paid into the fund exclusively by the electrical corporation’s shareholders, and expenses paid by the fund shall not be recoverable either directly or indirectly in rates and shall be borne exclusively by the shareholders of the electrical corporation. The commission shall~~

1 *establish rules to determine whether the expenses paid can be*  
2 *recovered from ratepayers.*

3 (d) An electrical corporation ~~with more than 2,500,000 electrical~~  
4 ~~service connections in California~~ shall not bill customers for any  
5 nonfixed costs during a deenergization event, including with the  
6 intent of subsequently reimbursing the customers, and shall not  
7 charge customers increased amounts after a deenergization event  
8 in order to offset losses accrued during a deenergization event.

9 (e) Beginning on or before June 1, 2021, the commission shall  
10 require any profit accrued by an electrical corporation ~~with more~~  
11 ~~than 2,500,000 electrical service connections in California~~ due to  
12 a deenergization event *that the commission determines to have*  
13 *been undertaken in an unreasonable or imprudent manner* to be  
14 remitted or credited to its ratepayers and any loss to be borne by  
15 the electrical corporation's shareholders.

16 ~~SEC. 5.~~

17 SEC. 3. Section 776.7 is added to the Public Utilities Code, to  
18 read:

19 776.7. (a) An electrical corporation ~~with more than 2,500,000~~  
20 ~~electrical service connections in California~~ shall provide  
21 notification of a pending deenergization event as early as possible  
22 to the cities and counties within its service territory and to other  
23 local governmental entities upon their request.

24 (b) An electrical corporation shall share ~~any~~ information relating  
25 to a deenergization event, including information relating to the  
26 duration, timing, and location of the deenergization event, impacted  
27 facilities, and affected customers, with all local governmental  
28 entities within its service territory.

29 (c) An electrical corporation shall share ~~any~~ location-specific  
30 information relating to a deenergization event, including  
31 information relating to the duration, timing, and location of the  
32 deenergization event, impacted facilities, and affected customers,  
33 with all local governmental entities with jurisdiction over that  
34 location.

35 (d) For purposes of this section, "deenergization event" has the  
36 same meaning as defined in Section 748.

37 ~~SEC. 6.~~

38 SEC. 4. Section 911.3 is added to the Public Utilities Code, to  
39 read:

911.3. The commission shall biennially produce a report on the economic, environmental, public health, and public safety impacts of deenergization events, using information provided by electrical corporations with more than 2,500,000 electrical service connections in California and independent analysis. For purposes of this section, “deenergization event” has the same meaning as defined in Section 748.

~~SEC. 7.~~

SEC. 5. Section 2111.5 is added to the Public Utilities Code, to read:

2111.5. An electrical corporation with more than 2,500,000 electrical service connections in California is subject to a penalty of not less than five hundred thousand dollars ~~\$500,000~~ *two hundred fifty thousand dollars (\$250,000)* for every hour that a deenergization event is in place, multiplied by the sum of the number of full sets of 50,000 customers affected plus one for any ~~remainder.~~ *remainder, if the commission determines that the electrical corporation failed to act in a reasonable and prudent manner in its implementation and execution of the deenergization event.* Penalties remitted pursuant to this section shall be borne exclusively by the electrical corporation’s shareholders. For purposes of this section, “deenergization event” has the same meaning as defined in Section 748.

~~SEC. 8.~~

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

**C14. Per Mayor Tran, Move to Approve the Appointment of Mercedes Albana to Serve on the Milpitas Planning Commission (Contact: Mayor Tran, 408-586-3029)**

Recommendation: Per recommendation of Mayor Tran, move to appoint Mercedes Albana to a term of three years on the Milpitas Planning Commission in a term that will expire in December 2022.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Per Mayor Tran, Move to Approve the Appointment of Mercedes Albana to Serve on the Milpitas Planning Commission</b>
<b>Category:</b>	Consent Calendar-Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Contact:</b>	Mayor Rich Tran, 408-586-3029
<b>Recommendation:</b>	Per recommendation of Mayor Tran, move to appoint Mercedes Albana to a term of three years on the Milpitas Planning Commission in a term that will expire in December 2022.

### **Background:**

Pursuant to Government Code Section 40605, an elected mayor, "with the approval of the city council, shall make all appointments to boards, commissions, and committees..." All appointees to the Planning Commission must be residents and registered voters in Milpitas and may not hold any other public office or employment in the government of the City of Milpitas.

The term of office for each member of the Milpitas Planning Commission is three years, commencing on the first day of January and concluding on the 31<sup>st</sup> day of December of the third year thereafter. In accordance with the Planning Commission bylaws, a Planning Commissioner whose term has expired may continue to serve an "extended" term until a successor is appointed. New appointees then complete the unexpired portion of the normal term of the appointed seat. Members of the Milpitas Planning Commission may serve up to three consecutive three-year terms.

The following table shows the status and expiration date of each current Commissioner's term of service.

<b>Member</b>	<b>Term Expiration</b>	<b>Status</b>
Sudhir Mandal	Dec. 2019	Extended
Timothy Alcorn	Dec. 2021	Current
Bill Chuan	Dec. 2020	Current
Evelyn Chua	Dec. 2021	Current
Steve Tao (Chair)	Dec. 2021	Current
Ricardo Ablaza	Dec. 2020	Current
Steve Belong	Dec. 2022	Current

### **Analysis:**

Any resident interested in serving on the Planning Commission must submit an application and questionnaire response to the City Clerk. The Clerk confirms each applicant's current voter registration and provides a list of qualified applicants to the Planning Director. The Planning Director reviews the list and provides input to the

Mayor. The Mayor may ask for additional input from the Council and/or invite additional members of the community to submit applications.

Six Milpitas residents have current applications on file in the City Clerk's office:

Name	Notes	Registered Voter
Mercedes Albana	Real Estate professional, served on Emergency Preparedness Commission	Yes
Russell Bargstadt	Director of Operations, DeVry Institute B.S., Electronics; Pines HOA; Zanker PTA	Yes
Demetress Morris	Served term on Planning Commission	Yes
Ha Phan	Vice Chair, Library and Education Advisory Commission	Yes
Kyle Roach	Works for A3 by Airbus, employed in field of Human Resources	Yes
Thomas Valore	Retired financial planner, CFO - Milpitas Chamber of Commerce	Yes

Mayor Tran recommends resident Mercedes Albana to complete the remainder of the 3-year Planning Commission term currently filled by Sudhir Mandal. This term will expire in December 2022. Mr. Mandal has served with distinction on the Planning Commission for the past 12 years, including two years as Chair.

**Fiscal Impact:**

Appointments to City Commissions will result in no new fiscal impact.

**Recommendation:**

Per Mayor Tran, move to appoint Mercedes Albana to a term of three years on the Milpitas Planning Commission in a term that will expire in December 2022.

**Attachment:**

6 current applications & questionnaires for Milpitas Planning Commission



# CITY OF MILPITAS PLANNING COMMISSION APPLICATION

City Clerk's Office 241

FEB 26 2020

Thank you for your interest in serving on the City of Milpitas Planning Commission. The Planning Commission advises the City Council on matters related to land use, development, and planning permit decisions. Milpitas Municipal Code requires a Planning Commissioner to be a resident of the City of Milpitas and a registered voter. Planning Commissioners typically serve three-year terms and may serve up to three consecutive terms.

This Application is intended to provide basic information about your background and experience in relation to the work of the Planning Commission. City staff and members of the City Council will review this information and make recommendations to the Mayor for possible appointment to the Planning Commission. In addition to this Application form, applicants are required to complete the attached Supplemental Questionnaire.

PLEASE PROVIDE COMPLETE INFORMATION (in black ink)

☐ Mr. ☒ Mrs./Ms.

Milpitas Resident? YES

Registered voter? YES

## Personal Information:

Name: MERCEDES DA SILVA ALBANA  
First Middle Last

Address: 929 CANADA DRIVE  
Number Street (apt. # if needed) Milpitas, CA 95035

Phone Number(s) 510-468-2347 mercedesalbana@gmail.com  
E-mail Address

Occupation Broker / Consultant American Gateway Real Estate F.S. Inc.  
C-21 Real Estate Alliance Present Employer

Business Address 929 Canada Drive Milpitas CA 95035 510-468-2347  
Business Phone

## Education:

College, Professional, Vocational, or other schools attended	Major Subject	Certificate or Degree?
<u>St. Paul's College, B.A. Degree</u>	<u>BUS. ADM / MGMT.</u>	<u>BA Degree</u>
<u>Real Estate Finance &amp; Dev.</u>	<u>BUS. ETHICS</u>	<u>Licensed</u>

## Experience:

Briefly describe any personal experience or work in the community that you believe would be an asset to your service on the Planning Commission (additional information may be attached):

Real Estate Profession, residential & Commercial Broker over 28 yrs.  
Commissioner: PS/EPC for past 8 years & volunteer  
Consultant, volunteer for past 25 years - Non Profit Organizations  
Resident of Milpitas since 1989; Love My City & Milpitas.

I hereby certify that all statements contained in this application are true and that I am a registered voter and a resident of the City of Milpitas. If appointed, I have enough time to devote to this responsibility and will attend the required meetings.

Mercedes Albana  
Signature

02/21/2020  
Date

Note: All Commission Applications are Public Record. Applications will be kept on file by the City Clerk for one year.

Please Mail or drop off your completed application and supplemental questionnaire to:

City Clerk, 455 E. Calaveras Blvd., Milpitas, CA 95035

Phone: (408) 586-3001 - Fax: (408) 586-3030 - E-mail ([mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov))



M. Albana

City Clerk's Office

FEB 26

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# PLANNING COMMISSION APPLICATION SUPPLEMENTAL QUESTIONNAIRE

(Please type or print responses below or use a separate sheet of paper).

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1. Why are you interested in serving on the Planning Commission?

As a resident of Milpitas for 33 years and being in the Real Estate profession for over 20 years serving this community, I'd like to somehow contribute into implementing proper zoning and development of land use.

2. What do you think are important skills or attributes for a Planning Commissioner, and why?

Focusing on preparation and planning, maintaining good ethics and relationships with Team members, learning to listen, to connect and support in unity the vision and goals of the City and its citizens. Maintaining respect and integrity (in our private life as well as in our public life).

3. How will your personal or work experience contribute to your role as a Planning Commissioner?

By maintaining a better-than-good work ethics, healthy relationship with Team members  
Using some organization and administrative skills that can add value to the Team  
(City Staff, City Council, and other Planning Commissioners)  
Having passion and a heart to serve Milpitas and its citizens

4. From your viewpoint, what are the most pressing land use or development issues in Milpitas?

Housing, education, parking, environmental issues  
Balancing the use of having more attractions for Milpitas residents, restaurants and commercial development (for City income)

5. How would you typically prepare for a Planning Commission meeting?

By doing a lot of reading, studying and reviewing materials presented by the City Staff, Attorney, Commissioners, issues that impact the City, present and in the future  
Seek deeper understanding and knowledge from City Attorney /Coach about zoning /development values

6. What do you see as the different roles of City staff, the Planning Commission, and City Council?

Our roles may be different but we should strive to transcend our differences and fulfill being unified as 'one body,' like a living organism that has a shared life, with a thousand cells but one shared life for Milpitas. Different key roles, not one greater than the other, working together toward one great function.



# CITY OF MILPITAS COMMISSION APPLICATION

243

PLANNING COM.

PROVIDE COMPLETE INFORMATION (in black ink)

COMMISSION APPLYING FOR City Clerk's Office

☐ Mr.

☒ Mrs. ~~Ms./Miss~~

FEB 21 2020

RECEIVED

Name: MERCEDES DA SILVA ALBANA  
First (middle) Last

Address: 929 CANADA DRIVE MILPITAS CA. 95035  
Number Street (apt. # if needed) City & Zip Code

Telephone Number(s) 510-468-2347 CEL. / mercedesalbana@gmail.com e-mail address

Present Employer American Gateway Real Estate & Financial Services, Inc. / 510-468-2347 Business Telephone

Business Address 929 CANADA DR. MILPITAS, CA. 95035 Occupation Broker / Consultant

Education: If Youth Advisory Commission applicant, indicate your grade/school: \_\_\_\_\_

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
<u>St. Paul's College / B.A. Degree</u>	<u>Bus. Adm/Mgmt.</u>	<u>1976</u>	<u>B.A.</u>
<u>Real Estate &amp; Finance</u>	<u>Bus. Ethics</u>	<u>2001 to present</u>	<u>C.B.U.</u>

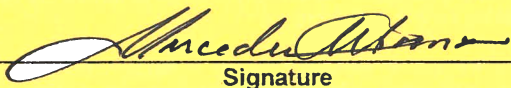
List community organizations to which you belong or have belonged (additional information may be attached). If application is for **Veterans Commission**, indicate branch and service in any U.S. military organization (retired or active duty).

Date	Name of Organization or Branch of Military	Officer / Member
<u>2012</u>	<u>Commissioner: PS/EPC</u>	<u>CITY of MILPITAS</u>
<u>2018</u>	<u>Captive - Non-Profit Faith Based Advocate</u>	<u>officer member</u>
<u>2000</u>	<u>American Gateway R.E. / Almer Consulting Services Inc.</u>	<u>COO/CFO</u>

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Real Estate Industry, commercial & residential BROKER;  
Commissioner: EPC past commissioner & volunteer 8 years.  
♥ Volunteer & Team Leader - other organizations. ♥  
♥ City Resident & Avid Supporter OF CITY of MILPITAS ♥ since 1989  
♥ Love M City ♥

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

  
Signature

02/21/2020  
Date

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant.

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: [mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov)

registered  
voter

244

**COMMISSION APPLYING FOR:**

Planning Commission

**Title**

Mr.

**Name**

Russel C Bargstadt

**Address Type**

Residence

**Address**

1307 Stardust Way

**City**

Milpitas

**Postal/Zip Code**

95035

**Mobile Number**

(408) 910-9655

**E-Mail Address**

russel.c.bargstadt@raytheon.com

City Clerk's Office

MAR 11 2019

RECEIVED

**Present Employer**

Raytheon

**Other Phone**

(408) 522-3484

**City**

Sunnyvale

**Postal / Zip code**

94086

**Occupation**

Director of Operations

**College, Professional, Vocational, or other schools attended**

DeVRy Institute

**Major Subject**

Electronics

**Degree**

Bachelor of Science

**List community organizations to which you belong or have belonged (additional information may be attached).**

**Name of Organization**

Pines HOA

**Name of Organization**

PTA (Zanker Elem)

**If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).**

**Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):**

Long term Milpitas resident (1991). Served on Pine HOA in many capacities including President, VP and board member from 1992 until 2014. Thorough understanding of project management, budgets, requirement definition, contracts and negotiation. My job includes interfacing and working with contractors, trades, and real estate brokers so I have a familiarity those processes and areas of expertise. I am pro responsible growth and believe we must encourage and support economic growth with in the city. Common sense and thoughtfulness will be my trademark. I have no conflicts of interest with the position

**Date**

Mar 08, 2019

**I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.**



NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

Fax (586-3030), e-mail ([mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov)), mail or drop off your completed application and supplemental questionnaire to:

City Clerk, 455 E. Calaveras Blvd., Milpitas, CA 95035

RECEIVED

## **PLANNING COMMISSION**

### **SUPPLEMENTAL QUESTIONNAIRE**



***(Please type or print responses on a separate paper[s] to the following questions)***

1. Why are you interested in serving on the Planning Commission?

In the past I have been very active in my microcosm community (Starlite Pines), representing our views/needs to the Planning Commission and City Council and in the school district as my kids moved through it. My work and kids extra-curricular activities made it impossible to commit for a few years but circumstances have changed and I am able to re-engage. Community service is a responsibility to me and I am seeking opportunity to serve my community in an area I have interest in and believe I can provide value to

2. Describe your understanding of how the City's General Plan, Zoning Ordinance, and Planning procedures affect the development of the community.

The General Plan is just that, it is a frame work created to provide long term guidance and facilitate cohesive consistent decisions to meet a vision of the future. Zoning Ordinances control the type of activity and population density of specific areas, this impacts quality of life. Planning ensures compliance to zoning, fairness to petitioners and fit to the plan and community. Planning should weigh community impact, preferences and best interest against development desires. All three should work together to provide guidance to the City Council for the benefit of the community at large and the future

3. In what way will your personal or work experience contribute to your role as a Planning Commissioner?

My job requires interface with contractors, space planning for the company, oversite of construction projects as required, working with architects, contractors, and the trades (construction, electricians, plumbers, HVAC etc), EHSS requirements and basic awareness of codes. I am well versed in proposal analysis and contract negotiations. I have excellent people and collaborative skills and a desire to see my community thrive. I am objective and analytical with solid common sense. I listen.

4. What do you feel are the most pressing planning problems or issues in Milpitas? How do you think they should be best resolved?

Sane and reasonable growth vs traffic/infrastructure capacity. We have to balance desire to build high density near public transportation with the reality that not everyone who has access uses it. The growth will and should happen, we should levy requirements on Builders to help offset the cost of the infrastructure improvements and need to think creatively about solutions. One thought that comes to mind, could we use round-a-bouts instead of stop signals in intersections like Abel and Great Mall Drive or Calaveras and Abbott or Park Victoria and Landess or near any of the schools to alleviate drop off pressure

Affordable housing – we should preferentially target people that provide services to our community, i.e. teachers, fire/police, retail/hospitality workers, and etc who cannot afford to live in the community they serve, with creative and mutually beneficial alternatives



5. Do you have a long-term vision of how you think the City should develop?

I think we need to have our eyes open to the need for infrastructure improvement as population and inevitably traffic increases. We must also be open to and encourage business growth to increase our tax base so we can afford the population growth. Milpitas has some great advantages in terms of cost and location we should be exploiting that

6. A major planning problem facing the entire Bay Area is the shortage of affordable housing. Do you have any thoughts on how the City should address this issue?

We need to ensure we are getting any available and applicable County, State and Federal money that may be able to be used to help

We should seek community involvement to insure that all good and diverse ideas are being explored. I would be willing to create and chair a planning commission subcommittee to facilitate this or participate if something similar already exists

A program of below market housing with City right of first refusal to buy back at a controlled price increase relative to the market should owner choose to sell. This would keep a growing inventory of affordable housing, remove the risk of people buying and flipping in a few years and potentially reduce the pressure to continually have to find new alternatives. It would require the City to manage and monitor that inventory. We successfully did this on a small scale at a company I previously worked at in the late 80's. It allowed new college grads the ability to buy, build some equity and trade up with minimal effort on the part of the company

Another alternative would be to require that rental projects that have mixed use, retail under living space, maintain units that are specifically for the people that will be employed in the project when complete (retail, service employees) Giving occupancy and rent preference to those residents

7. What do you see as the different roles of City staff, the Planning Commission, and the City Council?

Staff are the experts, front line contact for petitioners and advisors to the commission and council

Commission reviews plans for relevance and fit in the community and the general plan, works with petitioners, staff and the community to create an acceptable project plan if possible and makes recommendation of approval or denial to council

Council has final word and approves or denies



# CITY OF MILPITAS PLANNING COMMISSION APPLICATION

City Clerk's Office  
JAN 13 2020  
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Thank you for your interest in serving on the City of Milpitas Planning Commission. The Planning Commission advises the City Council on matters related to land use, development, and planning permit decisions. Milpitas Municipal Code requires a Planning Commissioner to be a resident of the City of Milpitas and a registered voter. Planning Commissioners typically serve three-year terms and may serve up to three consecutive terms.

This Application is intended to provide basic information about your background and experience in relation to the work of the Planning Commission. City staff and members of the City Council will review this information and make recommendations to the Mayor for possible appointment to the Planning Commission. In addition to this Application form, applicants are required to complete the attached Supplemental Questionnaire.

**PLEASE PROVIDE COMPLETE INFORMATION (in black ink)**

☐ Mr.    ☒ Mrs./Ms.    Milpitas Resident? Yes    Registered voter? Yes

**Personal Information:**

Name:                      First                      Middle                      Last  
  
Demetress                      Morris  
Address:                      Number                      Street (apt. # if needed)  
  
2151 Mesa Verde Drive                      Milpitas, CA. 95035  
Phone Number(s)                      E-mail Address  
  
(408) 935-8074                      Demetress1@aol.com  
Occupation                      Present Employer

Financial Advisor                      WFG  
Business Address                      Business Phone  
675 N. 1st St Suite 100, San Jose, CA 95112                      (402) 216-0181

**Education:**

College, Professional, Vocational, or other schools attended	Major Subject	Certificate or Degree?
Grand Canyon University	Applied Management	Bachelor of Science
Grand Canyon University	Business Leadership	Master of Science

**Experience:**

Briefly describe any personal experience or work in the community that you believe would be an asset to your service on the Planning Commission (additional information may be attached):

I have served on the planning commission for several years now and most recent this year as Vice-Chair. My service within the community has extended to Chair of School Site Council (SSC) to board member of other organizations dealing with diversity. I continue to be the head of Flame Keepers working with students and families of color. Additionally, I have served on the Community Board

Advisory Council (CBAC), Parent Teacher Association (PTA) as Treasury, Employment Screen Board MHS, WASCO Accreditation, ESL steering committee, Parents of Milpitas (POM) special education, and with the Milpitas Foundation for Education (MFFE).

I hereby certify that all statements contained in this application are true and that I am a registered voter and a resident of the City of Milpitas. If appointed, I have enough time to devote to this responsibility and will attend the required meetings.

Demetress Morris                      December 7, 2019  
Signature                      Date

**Note: All Commission Applications are Public Record. Applications will be kept on file by the City Clerk for one year.**

Please Mail or drop off your completed application and supplemental questionnaire to:

City Clerk, 455 E. Calaveras Blvd., Milpitas, CA 95035

Phone: (408) 586-3001 – Fax: (408) 586-3030 – E-mail ([mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov))



## **PLANNING COMMISSION APPLICATION SUPPLEMENTAL QUESTIONNAIRE**

*(Please type or print responses below or use a separate sheet of paper).*

### **1. Why are you interested in serving on the Planning Commission?**

I desire to have a voice in the decision-making process that helps shape our community. Especially, with all the upcoming changes to Milpitas as it pertains to development and the transit area of our city. I enjoy serving my community in a capacity that is both tangible and recognizable by other community members. Furthermore, over the years as a Planning Commissioner, I have acquired the needed expertise to be effective in the position that also provides me an opportunity for learning.

### **2. What do you think are important skills or attributes for a Planning Commissioner, and why?**

The most important skill for a Planning Commissioner is the capability to listen with the intent of understanding what one is seeking to be conveyed to Him/her. It is essential to have a working knowledge and/or understanding of community issues as they correlate to city ordinances. One of the attributes that best serve a commissioner is the ability to be fair & unprejudiced as well as prepared to address the motions that come before the city. The reason why is it allows one to communicate more effectively and from an analytical perspective.

### **3. How will your personal or work experience contribute to your role as a Planning Commissioner?**

My personal and work experience will contribute to my role as a Planning Commissioner by allowing me to apply leadership skills with financial savvy. With these skills, I can build unanimity through compromise and a common sense approach that helps others appreciate that comments or actions are not to be taken personal but part of the procedure that results in positive change.

### **4. From your viewpoint, what are the most pressing land use or development issues in Milpitas?**

I believe the most pressing issues and development concerns are dealing with land use and zoning. Milpitas only has so much land at its disposal, so we have to be sure that we are making good decision concerning various parcels for future use.

**5. How would you typically prepare for a Planning Commission meeting?**

I would typically prepare for a Planning Commission meeting by reviewing the staff report, doing some research on the developer and the parcel, speaking or meeting with the appropriate stakeholders, and outlining questions for review by staff or applicant.

**6. What do you see as the different roles of City staff, the Planning Commission, and City Council?**

A Planning Commissioner is appointed government board charged by city council mandated by the state with oversight of boundaries of the various zoning districts and appropriate regulations to be enforced within city limits. The city council is responsible for approving and/or setting policy and staff ensures that the information is available, executable, and understood by all.

COMMISSION APPLYING FOR: Planning Commission

Title Ms.

Name Ha Phan

Address Type Residence

Address 940 Coventry Way

City Milpitas

Postal/Zip Code 95035

Mobile Number (408) 666-6415

E-Mail Address cbay12@yahoo.com

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College, Professional, Vocational, or other schools attended Univ of Phoenix SJ

Major Subject Business

Degree MBA

List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization Milpitas Executive Lions International Club

Member 2nd Vice President

Name of Organization Boys scouts of America

Member BSA Leader

Name of Organization Milpitas Police Department

Member Volunteer

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Date Jan 21, 2020

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

*Ha Phan*

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.

NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD



**From:** Phan Hà <cbay12@yahoo.com>  
**Sent:** Tuesday, January 21, 2020 6:27 AM  
**To:** Mary Lavelle  
**Subject:** Re: CITY OF MILPITAS COMMISSION APPLICATION - Receipt

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links.

**HA T. PHAN**  
940 COVENTRY WAY  
Milpitas, CA 95035  
Phone: 408-666-8415  
cbay12@yahoo.com

**Objective**  
A position in the financial industry, with an emphasis on accounting and auditing.

**Ability Summary**  
Experience in analyzing financial information and preparing financial reports to determine and maintain record of assets, liabilities, profit and loss, tax liability, and other financial activities within an organization.

**Employment History**

**Accountant**

06/2006 - 02/2016	Bandai Namco Games America Inc	1740 Technology Dr # 600, San Jose, CA
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Managed full cycle of Accounts Payables including monthly close, annual 1099 report, property tax filing, and Fixed Assets, Sales/Use tax File.

**Education and Training**

Completion Date	Issuing Institution	Location	Qualification	Course of Study
06/2004	University of Phoenix	San Jose, CA	Master's Degree	MBA

**Occupational Licenses & Certificates**

Certification Title	Issuing Organization	Completion Date	Expiration Date
Tax preparer	CTEC	07/2015	10/2016

**Honors & Activities**  
Honors awards on company team work, leadership skills, and Milpitas citizenship.

**Additional Information**  
Available to start work immediately after college graduation in early June.

**References Available on Request**

<https://www.ca.gov/folders/ind/indResume.asp?jobid=111111>

Resume attached

On Jan 21, 2020, at 6:16 AM, Phan Hà <cbay12@yahoo.com> wrote:

COMMISSION APPLYING FOR: Planning Commission  
Title Ms.  
Name Kyle Roach  
Address Type Residence  
Address 49 Terfidia Ln  
City Milpitas  
Postal/Zip Code 95035  
Mobile Number (408) 580-4288  
E-Mail Address kroach24@outlook.com

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Present Employer A^3 by Airbus  
Occupation HR Specialist  
College, Professional, Vocational, or other schools attended Heald Business School  
Major Subject Business Administration  
Degree AAS

List community organizations to which you belong or have belonged (additional information may be attached).  
If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):  
I bring a sense of open mindedness, logic, and Common Sense. My work within the HR field allows me to work with people on a variety of levels from all different walks of life, socio-economic backgrounds, and standing within the communities.

Two years ago I started my business called the Straight Talk Diva where I help women transition from a place of being not sure of their selves to a place of confidence, self-assured, empowered. I also am a human Capital Management Consultant where I can go into a business and assist them with their cultural needs and to provide a strategy of how to implement workplace morale , how to get employees to understand how to bring their outside passions to their inside production.

Date Oct 21, 2019

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy.  
I hereby certify that all statements contained in this application are true.

Kyle Roach

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant. Once submitted, your application will be submitted to the City Clerk.  
NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

# CITY OF MILPITAS PLANNING COMMISSION APPLICATION

City Clerk's Office

MAR 13 2019

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**NOTE:** Milpitas Municipal Code, Title I Chapter 500, requires "at all times during the term of office, a Planning Commissioner shall be a registered voter of the City of Milpitas and a resident of the City of Milpitas." Also, all applicants are required to complete a **SUPPLEMENTAL QUESTIONNAIRE** in addition to this application form.

**PLEASE PROVIDE COMPLETE INFORMATION (in black ink)**

☒ Mr.

Are you a registered City of Milpitas voter? YES

☐ Mrs./Ms.

How long have you lived in Milpitas? 30 yrs

Name: THOMAS First JOHN Middle VALORE Last

Address: 670 Number CARDIFF PLACE Street (apt. # if needed) Milpitas, CA 95035

Telephone Number(s) 408-946-0703 408-892-3991 e-mail address tventerprise@comcast.net

Present Employer RETIRED Business Telephone

Business Address FINANCIAL ADVISOR Occupation

**Education:**

College, Professional, Vocational, or other schools attended	Major Subject	Date	Degree
USC	Sys Mgmt	02/71	MS
NYU	AERO ENG	02/64	BS

List community organizations to which you belong or have belonged (additional information may be attached).

Date	Name of Organization	Officer / Member
	Milpitas Chamber of Commerce	CFO 17yrs
	MUSD Bond Oversight Committee	Member

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

Over the past six or seven years I have attended virtually all City Council and School Board meetings in an effort to stay informed regarding the direction of the City

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true and that I am a registered voter and a resident of the City of Milpitas.

Thomas Valore  
Signature

03/13/2019  
Date

Appointments to Commissions or Committees are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year** from the date submitted unless renewed by the applicant.

**NOTE: ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD**

Fax (586-3030), e-mail ([mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov)), mail or drop off your completed application and supplemental questionnaire to:  
City Clerk, 455 E. Calaveras Blvd., Milpitas, CA 95035

# **PLANNING COMMISSION**

## **SUPPLEMENTAL QUESTIONNAIRE**

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***(Please type or print responses on a separate paper[s] to the following questions)***

1. Why are you interested in serving on the Planning Commission?

Such a position would afford me the opportunity to give back, in a significant manner, to my community which has served me well these past many years.

2. Describe your understanding of how the City's General Plan, Zoning Ordinance, and Planning procedures affect the development of the community.

The cities growth is guided by a hierarchy of plans the top most of which is the General Plan, currently in the process of being updated. Below the General are the specific plans which provide a greater degree of specificity for given areas of the city. Zoning ordinances should reflect the proscriptions of the plans or be changed accordingly so as not to be an impediment to developments in consonance with the plans. Planning entities such as the Planning Commission and the City planning staff should be guided by such document as they proceed through the decision-making process and in framing their recommendations to the City Council.

3. In what way will your personal or work experience contribute to your role as a Planning Commissioner?

I spent twenty years in the Air Force principally in System Acquisition Management. My last assignment was a Program Manager where I started and managed what became a roughly 1 billion-dollar acquisition known as TRIGS. Subsequently, I worked as a senior manager in the Aerospace Industry. And concluded my work career as a Certified Financial Planner for twenty years. Thus, I am comfortable with the decision-making process and not intimidated by either high powered people or large dollar projects. Just as important I recognize the importance of boundaries in keeping containment.

4. What do you feel are the most pressing planning problems or issues in Milpitas? How do you think they should be best resolved?

The traffic congestion in Milpitas has become progressively worse in recent years and related to this is parking. An alternative route must be constructed connecting I880 and I680 to eliminate the press of traffic clogging our major thorough fares every week day. Obviously, State and more likely Federal aid/support will be required to accomplish such an under taking.

The construction of some strategically located parking structures within the city may be the only answer to the parking problem doing a better job of assuring that new developments will no further add to the problem.

5. Do you have a long-term vision of how you think the City should develop?

Smart development must be an imperative in that land is scarce and at a premium and the impacts of new developments are in all likelihood complex and potentially far reaching and thus the decision-making process must recognize this situation. Growth for the sake of growth or mere income growth is not in the long-term interest of the City or its residents. Improvement/enhancement should be what guides future development. Beautification may be another way to state it. Destination centers which provide cultural activities as well as high quality restaurants would serve to keep residents within the city for entertainment.

6. A major planning problem facing the entire Bay Area is the shortage of affordable housing. Do you have any thoughts on how the City should address this issue?

This unquestionably is a major problem for which there is no easy answer and will require a complex response to achieve any amelioration. I believe we will need to work on a regional basis in attacking the issue since it is a regional issue. I also believe it will take major investments by the city, and hopefully with added county and state support, to increase the affordable housing stock

7. What do you see as the different roles of City staff, the Planning Commission, and the City Council?

City staff needs to provide appropriate research to enable the Planning Commission to make an informed decision regarding developments proposed by developers. The decisions of the Planning Commission then become recommendations to the City Council which is responsible for making the final decision to approve or not any development of consequence.

**15. Conduct a Public Hearing for the 2020 Weed Abatement Program and Adopt a Resolution to Abate the Weeds (Staff Contact: Albert Zamora, 408-586-3371)**

Recommendations:

(1) Open the Public Hearing and move to close the hearing following any comments.

(2) Adopt a resolution directing the County of Santa Clara Consumer and Environmental Protection Agency-Weed Abatement Program to abate the nuisance, keep an account of the cost, and embody such account in a report and assessment list to the City Council, in accordance with the Milpitas Municipal Code.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Conduct a Public Hearing for the 2020 Weed Abatement Program and Adopt a Resolution to Abate the Weeds</b>
<b>Category:</b>	Public Hearings-Public Safety
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Albert Zamora, Deputy Fire Chief / Fire Marshal, 408-586-3371
<b>Recommendations:</b>	Open the Public Hearing and move to close the hearing following any comments.  Adopt a resolution directing the County of Santa Clara Consumer and Environmental Protection Agency-Weed Abatement Program to abate the nuisance, keep an account of the cost, and embody such account in a report and assessment list to the City Council, in accordance with the Milpitas Municipal Code.

### **Background:**

On February 2, 1976, an Agreement was established and approved to abate weeds by the County of Santa Clara for the City of Milpitas. The purpose of the Agreement is to promote the efficiency and economy of operations in the abatement of weeds by the City and the County.

The major procedural functions to be performed by the County and / or City shall include but not limited to:

1. The County shall prepare the list of parcels requiring abatement of weeds in the City and transmit the said list to the City for review and approval for processing.
2. The County shall prepare the notice of weed abatement and cause such notice to be mailed to the owners of the parcels requiring weed abatement.
3. The City Council shall conduct public hearings on the proposed removal of weeds pursuant to the provisions of the City Ordinance when the City Fire Marshal presents such appropriate resolutions for adoption. The City Council may by resolution declare the weeds on the respective parcels of the land as nuisance, and make the determination to proceed with the abatement of weeds, and authorize the performance of the service to remove the weeds in accordance with the aforementioned Agreement.
4. Upon proper authorization by the City, the County shall remove the weeds on the designated properties.
5. The County shall render to the City an itemized assessment report for the cost of the weed abatement services performed per the respective parcels.
6. The City Council, after a public hearing, shall require the County Assessor's Office to include the costs of the weed abatement services performed for the City for the current year, as a special assessment on bills for taxes levied against the affected parcels. Such special assessments shall be liens on the respective properties.
7. Pursuant to California Health and Safety Code 14915, a copy of the report, as confirmed, shall be turned over to the auditor of the county, on or before the tenth day of August following such

confirmation, and the auditor shall enter the amounts of the assessments against the respective parcels of land as they appear on the current assessment roll, (Amended by Stats. 1939, Ch. 354).

**Analysis:**

On February 4, 2020, the City Council adopted Resolution Number 8943 declaring weeds on certain described properties to be a public nuisance, and to set a public hearing for March 3, 2020. A copy of the resolution was forwarded to the County of Santa Clara Consumer and Environmental Protection Agency- Weed Abatement Program (County). Furthermore, a notice for the public hearing was sent by the City Clerk's Office to the local newspaper for publication, as well as mailed to the affected property owners of the proposed abatement by the City of Milpitas and the County. The purpose of the public hearing is for the parcel owners who object to the removal of the weeds to state their objections before the weeds are removed and the costs made a lien upon the property. A list of properties to be abated is included in the City Council's agenda packet along with a resolution directing the County to abate the weeds.

**Policy Alternative:**

There are no policy alternatives other than what is outlined under the Recommendations section. Pursuant to the February 2, 1976 Agreement, the County under the provisions of the Health and Safety Code of the State of California and its ordinance has the authority to enforce the abatement of weeds. Likewise, the City under the California Fire Code and Milpitas Municipal Code, Title V, Chapter 202 has the authority to enforce the abatement of weeds.

The County and City will apply their respective standard operating procedures as well as best management practices that is afforded to each agency, and to the extent that ensures public safety with respect to the abatement of weeds.

**Fiscal Impact:**

At the first City Council meeting in August or earlier of each year during a public hearing, the City's municipal code provides that the City Council hear the assessment report for the list of weeds abated within the City, together with any objections of the property owners liable to be assessed, and to make such modifications on the proposed assessment as it deems necessary. Following adoption by the City Council, the resolution will be recorded and charges thereon become a lien on the land involved to be collected in the same manner as property taxes.

**California Environmental Quality Act:**

This project is exempt from CEQA.

**Recommendations:**

- (1) Open the Public Hearing and move to close the hearing following any comments.
- (2) Adopt a resolution directing the County of Santa Clara Consumer and Environmental Protection Agency- Weed Abatement Program to abate the nuisance, keep an account of the cost, and embody such account in a report and assessment list to the City Council, in accordance with the Milpitas Municipal Code.

**Attachments:**

Resolution

Exhibit A - 2020 Weed Abatement Program Commencement Report (list of parcels)



**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AUTHORIZING THE CITY MANAGER TO CONTRACT WITH THE OFFICE OF SANTA CLARA COUNTY AGRICULTURAL AND ENVIRONMENTAL MANAGEMENT TO ABATE WEEDS AND/OR CAUSE THE REMOVAL OF RUBBISH, REFUSE OR DIRT DECLARED TO BE A PUBLIC NUISANCE, TO KEEP AN ACCOUNT OF THE COSTS OF ABATING SUCH NUISANCE, AND TO FILE SUCH ACCOUNT IN A REPORT AND ASSESSMENT LIST WITH THE CITY COUNCIL**

**WHEREAS**, the City Council of the City of Milpitas adopted Resolution No. 8943 on February 4, 2020, declaring weeds and/or the accumulation of rubbish, refuse or dirt on the properties listed on the annual list attached hereto as **Exhibit A** to be a public nuisance and setting a public hearing in accordance with Title V, Chapter 202 of the Milpitas Municipal Code; and

**WHEREAS**, a public hearing was duly-noticed as required by law and such hearing was held on March 3, 2020, to hear public comments and consider any objections to the proposed removal of the weeds, rubbish, refuse and/or dirt; and

**WHEREAS**, the City Council duly considered and overruled any objections to the proposed nuisance abatement by the Office of Santa Clara County Agricultural and Environmental Management.

**NOW, THEREFORE**, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Manager is hereby ordered and authorized to contract with the Office of Santa Clara County Agricultural and Environmental Management to abate such public nuisances existing on those properties included on the attached **Exhibit A**. The Office of Santa Clara County Agricultural and Environmental Management shall keep an account of the cost of abatement on each listed parcel and submit to the City Clerk, for confirmation by the City Council, an itemized written report showing such costs to be assessed on the listed properties as provided for in the Milpitas Municipal Code, Sections V-202-7.00 through V-202-10.00.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

**2020 WEED ABATEMENT PROGRAM  
COMMENCEMENT REPORT  
CITY OF MILPITAS**

<b>Situs</b>	<b>APN</b>		<b>CITY/STATE</b>		
7280	MARYLINN	DR 022-07-007	CHAO, PEI LING ET AL	7548 DONEGAL DR	CUPERTINO CA 95014
1735	CALIFORNIA	CL 022-37-002	PRENTISS/COPLEY INVESTMENT	1910 PACIFIC AVE STE 400	DALLAS TX 75201
1301	CALIFORNIA	CL 022-38-002	RSVP INVESTMENTS LLC	46500 LANDING PY	FREMONT CA 94538
land	MC CARTHY	022-56-008	BRIDGE POINT MILPITAS LLC	1600 FRANKLIN AV E SUITE D	EL SEGUNDO CA 90245
1878	DIXON	RD 026-05-023	RASHEED, IRSHAD A AND SABIHA	619 FONTES DR	FREMONT CA 94539
51	MILPITAS	BL 026-05-024	AIM DEVELOPER ENTS INC	40 PARK VICTORIA DR N A	MILPITAS CA 95035-4600
1750	DIXON	RD 026-05-053	CHANG, CAROL	67 BERLYWOOD LN	MILPITAS CA 95035-2543
	ARIZONA	AV 026-07-044	TRAN, TY AND TRUONG, JACY HONG	2936 WILLIAMS RD	SAN JOSE CA 95128-3337
land	BOTHELO	LN 028-23-017	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
860	RAILROAD	028-24-006	Linda Allen	1700 Space Park Dr.	SANTA CLARA CA 95054
826	EVANS	RD 029-06-016	TRAN, TU AND DAO, HONG	860 EVANS RD	MILPITAS CA 95035-3406
1339	CALAVERAS	DR 029-06-031	DAVE, MOHINI	22356 HARTMAN DR	CUPERTINO CA 95014-1020
1333	TERRA VISTA	CT 029-07-009	1499 COUNTRY CLUB DRIVE LLC	475 SAN ANTONIO RD S	LOS ALTOS CA 94022-3618
1327	TERRA VISTA	CT 029-07-010	1499 COUNTRY CLUB DRIVE LLC	475 SAN ANTONIO RD S	LOS ALTOS CA 94022-3618
1321	TERRA VISTA	CT 029-07-011	1499 COUNTRY CLUB DRIVE LLC	475 SAN ANTONIO RD S	LOS ALTOS CA 94022-3618
1303	TERRA VISTA	CT 029-07-012	1499 COUNTRY CLUB DRIVE LLC	475 SAN ANTONIO RD S	LOS ALTOS CA 94022-3618
1311	COUNTRYSIDE	CT 029-07-013	1499 COUNTRY CLUB DRIVE LLC	475 SAN ANTONIO RD S	LOS ALTOS CA 94022-3618
322	COUNTRYSIDE	CT 029-07-014	1499 COUNTRY CLUB DRIVE LLC	475 SAN ANTONIO RD S	LOS ALTOS CA 94022-3618
1220	PARK	DR 029-16-006	MAYO, NESSIM AND GUADALUPE J	0 PO BOX 15058	FREMONT CA 94539
1039	COUNTRY	DR 029-52-014	HUSSAIN, FARHAT TRUSTEE	1220 COUNTRY CLUB DR	MILPITAS CA 95035-3451
489	CAMARILLO	CT 029-52-015	FARSI, ROSTAM D AND PARIVASH O	1132 ONONDAGA WAY	FREMONT CA 94539-6737
517	VISTA RIDGE	DR 042-30-008	QLMD PROPERTY LLC	2 SOUTH PARK VICTORIA DR	MILPITAS CA 95035
	VISTA RIDGE	DR 042-30-009	GANDHI, ASHISH R AND VARSHA	675 MURPHY RANCH RD	MILPITAS CA 95035-0000

**2020 WEED ABATEMENT PROGRAM  
COMMENCEMENT REPORT  
CITY OF MILPITAS**

<b>Situs</b>	<b>APN</b>		<b>CITY/STATE</b>		
519	VISTA RIDGE	DR 042-30-010	GHANI, MAHMOOD M AND EDITHA C	519 VISTA RIDGE DR	MILPITAS CA 95035-7217
529	VISTA RIDGE	DR 042-30-015	TRIVEDI, ANOOP K AND RAO, AARTHI	2397 TULIP RD	SAN JOSE CA 95128-1141
410	VISTA RIDGE	DR 042-30-024	WAN, CHIEN MIN	410 VISTA RIDGE DR	MILPITAS CA 95035-7216
531	VISTA RIDGE	DR 042-30-029	CHAN, CLIFFORD J	704 LONGFELLOW DR	FREMONT CA 94539
	HAMMOND	086-25-018	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	MAIN	ST 086-25-020	EIGHTY EIGHT HOMES LLC	2186 PASEO DEL ORO	SAN JOSE CA 95124-2046
	MAIN	ST 086-25-028	PANCHAL, GITA N AND NATWARLAL	3200 MONTEREY BL	SAN JOSE CA 95111
	HAMMOND	086-25-030	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	SINNOTT	LN 086-26-024	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	BOTHELO	086-26-032	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	MILPITAS	BL 086-28-006	SAN FRANCISCO CITY AND COUNTY	525 GOLDEN GATE AV 10TH	SAN FRANCISCO CA 94102
	VISTA	WY 086-29-005	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	WRIGLEY	WY 086-29-036	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	YOSEMITE	DR 086-29-047	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
876	YOSEMITE	DR 086-30-047	T MARZETTI COMPANY-WEST	380 POLARIS PY STE 400	WESTERVILLE OH 43082-8069
	YOSEMITE	DR 086-30-048	T MARZETTI COMPANY	380 POLARIS PY STE 400	WESTERVILLE OH 43082-8069
	AMES	AV 086-30-060	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	SINCLAIR	086-31-003	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	YOSEMITE	DR 086-31-044	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
	MILPITAS	blv 086-32-084	UNION PACIFIC CORPORATION	10031 FOOTHILLS BLVD	ROSEVILLE CA 95747
375	DEMPSEY	RD 088-01-002	GUNAPU, SRIDHAR AND	2951 EL SOBRANTE ST	SANTA CLARA CA 95051-3715
335	PARK	DR 088-03-019	YAO, SHAOPIG AND YUE,	335 PARK VICTORIA DR S	MILPITAS CA 95035-5722
	DEMPSEY	RD 088-04-060	SILICON VALLEY ALLIANCE CHURCH	10 DEMPSEY RD	MILPITAS CA 95035-5512

**2020 WEED ABATEMENT PROGRAM  
COMMENCEMENT REPORT  
CITY OF MILPITAS**

<b>Situs</b>	<b>APN</b>		<b>CITY/STATE</b>	
	DEMPSEY	DR 088-04-062	SILICON VALLEY ALLIANCE CHURCH 10 DEMPSEY RD	CA 95035-5512
	DEMPSEY	RD 088-04-076	SILICON VALLEY ALLIANCE CHURCH 10 DEMPSEY RD	CA 95035-5512
	OLD	RD 092-34-008	OLD PIEDMONT DEVELOPMENT INC 456 MONTGOMERY ST STE.	CA 94104-1247
1250	OLD	RD 092-34-014	OLD PIEDMONT DEVELOPMENT INC 456 MONTGOMERY ST STE.	CA 94104-1247
2235	URIDIAS	RD 092-37-050	MENG, FAN JIE AND ZHANG, HELEN 35961 COPPER ST	CA 94587

16. **Receive presentation on reducing exposure to Secondhand Smoke in multi-unit housing and authorize the City Manager to draft policies for future consideration by the City Council (Staff Contact: Jessica Garner, Planning Manager 408-586-3284)**

Recommendation: Receive the presentation and authorize the City Manager to conduct public outreach, develop policy options to prohibit smoking and exposure to secondhand smoke in multi-unit housing, and prepare an implementation plan for future consideration and adoption by the City Council.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Receive presentation on reducing exposure to Secondhand Smoke in multi-unit housing and authorize the City Manager to draft policies for future consideration by the City Council</b>
<b>Category:</b>	Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	<b>Jessica Garner, Planning Manager 408-586-3284</b>
<b>Recommendation:</b>	Receive the presentation and authorize the City Manager to conduct public outreach, develop policy options to prohibit smoking and exposure to secondhand smoke in multi-unit housing, and prepare an implementation plan for future consideration and adoption by the City Council.

### **Background:**

In November 2018, the City was selected to receive funding to implement comprehensive smoke free policies for all multi-unit housing through a recommended strategy in Santa Clara County's Healthy Cities Program, which promotes policies and practices to increase access to tobacco-free and smoke-free communities; recreation, physical activity, and safe walking and biking opportunities; and healthy food and beverage environments.

The funding is a result of the passage of California Proposition 56, the California Healthcare, Research and Prevention Tobacco Act of 2016, which increased the tax on cigarettes and other tobacco products by two dollars. As a result of the award, Planning Department staff developed a scope of work and schedule with the County for several tasks and deliverables, including the following:

- Gather research on strategies to reduce exposure to Secondhand Smoke (SHS) in multi-unit housing;
- Develop and disseminate a broad public opinion survey to assess Milpitas residents' support for smoke-free strategies;
- Conduct robust public stakeholder engagement with property owners, landlords, property managers, and residents of multi-unit housing and present findings to the City Council;
- Develop draft policy options and recommendations to prohibit smoking in 100% of individual units, private balconies and patios of multi-unit housing for City Council consideration; and
- Develop and launch an implementation plan and provide educational materials, website content, smoke-free signage, landlord toolkits to increase public awareness of any new requirements

City staff's objective is to implement the strategy by June 30, 2021.

### **Analysis:**

More than 480,000 people die each year from smoking-related diseases, making tobacco use the nation's leading cause of preventable death.<sup>i</sup> The U.S. Surgeon General has concluded that there is no safe level of exposure to secondhand smoke and the California Air Resources Board has classified secondhand smoke as a toxic air contaminant.<sup>ii</sup> Secondhand smoke is responsible for an estimated 41,000 heart disease-related and lung cancer deaths each year.<sup>iii</sup> According to the Centers for Disease Control, the only way to fully protect nonsmokers is to eliminate smoking in all homes, worksites, and public places.

The home is now the number one source of SHS exposure. Smoke travels through doorways, cracks in electrical outlets, ventilation systems, and plumbing. Opening windows and using fans does not remove SHS. Heating, air conditioning, and ventilation systems cannot eliminate exposure to SHS.<sup>iv</sup>

Approximately twenty percent (20%) of Milpitas households live in multi-unit housing. Twenty-nine percent (29%) of Santa Clara County residents report smelling tobacco smoke drifting into their home from nearby apartments or from the outside. The rate of secondhand smoke exposure was even higher among Latino adults living in multi-unit housing (39%), those with less than a high school diploma (38%), and adults with household incomes less than \$15,000 (36%).<sup>v</sup>

Children, low-income tenants of public housing, and members of racial and ethnic minority groups are disproportionately exposed to secondhand smoke; smoke free housing policies have shown the potential to reduce exposure in these populations.<sup>vi</sup>

Smoke-free multi-unit housing policies can also protect residents from harmful “thirdhand smoke”, which is the residue from tobacco smoke that is absorbed by indoor surfaces and then emitted back into the air. Thirdhand smoke potentially poses the greatest danger to infants and toddlers, who crawl on rugs and furnishings and place household items in their mouths.<sup>vii</sup>

Multiple county surveys show an increased demand for smoke free housing. In a survey conducted by Santa Clara County, 96% of Santa Clara County apartment residents believe that smokers should not be allowed to smoke wherever they want; and 84% of Santa Clara County apartment residents surveyed said that they would support a No Smoking Policy at their multi-unit housing complex.<sup>viii</sup>

California law allows landlords to make their properties smoke free but does not require smoke-free multi-unit housing (other than common areas where an employee enters). In Santa Clara County, Los Gatos, Palo Alto, Santa Clara, Sunnyvale, and the unincorporated area require multi-unit housing to be smoke free. See Appendix A for additional information on these laws. Additionally, the Housing Authority of Santa Clara County prohibits smoking at all of its properties. In San Mateo County, Belmont, Brisbane, Burlingame, Foster City, Half Moon Bay, Redwood City, San Bruno, San Mateo, South San Francisco and the unincorporated area require multi-unit housing to be smoke free. Statewide, 63 local jurisdictions have adopted smoke free multi-unit housing laws that are considered “strong” by the American Lung Association.<sup>ix</sup> Most of these laws require 100% of new and existing housing units to be smoke free.

### **Policy Alternative:**

**Alternative:** Do not authorize staff to develop policies to reduce SHS in multi-unit housing in Milpitas for the City Council’s future consideration.

**Pros:** This action would avoid expending Prop 56 grant funding and city and county staff time and resources to develop community engagement materials and policies to reduce smoking in individual units, balconies and patios of multi-unit housing throughout the city.

**Cons:** No action to avoid developing policies could increase exposure to SHS for residents living in multi-unit housing where landlords and property owners allow people to smoke in their individual units, and could jeopardize not only their health, but the health of future residents who choose to live in Milpitas where smoke free policies don’t exist for multi-unit housing developments.

**Reason not recommended:** Failure to explore smoke free policies in multi-unit housing in Milpitas would allow both current and future property owners and landlords the option to allow smoking in multi-unit housing units, which jeopardizes the health of the most vulnerable people in the city living in those units. Further, there is broad significant support from the public in Santa Clara County to adopt smoke free policies, and the County’s grant allows staff to explore the issue in Milpitas in order to develop customized policies with local stakeholder input, feedback and support.

**Fiscal Impact:**

The cost and resources to develop locally-specific community engagement strategies and policies to reduce SHS in multi-unit housing is covered by the County's Healthy Cities Program grant, including the provision of a County consultant who is working with city staff to prepare documents, research and materials.

**California Environmental Quality Act:**

Not applicable.

**Recommendation:**

Receive the presentation and authorize the City Manager to conduct public outreach, develop policy options to prohibit smoking and exposure to secondhand smoke in multi-unit housing, and prepare an implementation plan for future consideration and adoption by the City Council.

**Attachments:**

1. Milpitas smoke-free housing Fact Sheet
2. List of tobacco policies across Santa Clara County jurisdictions

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<sup>i</sup> U.S. Department of Health and Human Services, The Health Consequences of Smoking — 50 Years of Progress A Report of the Surgeon General Executive Summary (2014), available at:

[www.surgeongeneral.gov/library/reports/50-years-of-progress/exec-summary.pdf](http://www.surgeongeneral.gov/library/reports/50-years-of-progress/exec-summary.pdf).

<sup>ii</sup> U.S. Department of Health and Human Services, 2006 Surgeon General's Report—The Health Consequences of Involuntary Exposure to Tobacco Smoke (2006), available at:

[www.cdc.gov/tobacco/data\\_statistics/sgr/2006/index.htm](http://www.cdc.gov/tobacco/data_statistics/sgr/2006/index.htm); California Environmental Protection Agency Air Resources Board, Environmental Tobacco Smoke: A Toxic Air Contaminant, California Environmental Protection Agency Air Resources Fact Sheet (2006), available at: [www.arb.ca.gov/toxics/ets/factsheetets.pdf](http://www.arb.ca.gov/toxics/ets/factsheetets.pdf).

<sup>iii</sup> Centers for Disease Control and Prevention, Secondhand Smoke (SHS) Facts (2014), available at:

[www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/secondhand\\_smoke/general\\_facts/index.htm](http://www.cdc.gov/tobacco/data_statistics/fact_sheets/secondhand_smoke/general_facts/index.htm).

<sup>iv</sup> Santa Clara County Public Health Department, Smoke-free Multi-unit Housing: Bringing Healthy Air Home, available from the Santa Clara County Public Health Department.

<sup>v</sup> Santa Clara County Public Health Department, Smoke-free Multi-Unit Housing: Bringing Health Air Home in Milpitas, available from the Santa Clara County Public Health Department.

<sup>vi</sup> Vijayaraghavan M, Schroeder SA, Kushel M. The effectiveness of tobacco control policies on vulnerable populations in the USA: a review. *Postgrad. Med J.* 2016;92:670–676. doi.org/10.1136/postgradmedj-2014-133193.

<sup>vii</sup> Sleiman M, Gundel LA, Pankow JF, Jacob P, Singer BC, Destailats H. Formation of carcinogens indoors by surface-mediated reactions of nicotine with nitrous acid, leading to potential thirdhand smoke hazards. *Proc Natl Acad Sci U S A.* 2010;107(15):6576–81. doi:10.1073/pnas.0912820107.

<sup>viii</sup> Santa Clara County Public Health Department, Smoke-free Multi-Unit Housing: Bringing Health Air Home in Milpitas, available from the Santa Clara County Public Health Department.

<sup>ix</sup> Center for Tobacco Policy & Organizing, American Lung Association in California, Matrix of Strong Local Smokefree Multi-unit Housing Ordinances, February 2019, available at <https://center4tobaccopolicy.org/wp-content/uploads/2019/02/Matrix-of-Strong-Local-Smokefree-MUH-Feb-2019.pdf>.



# SMOKE-FREE MULTI-UNIT HOUSING

## BRINGING HEALTHY AIR HOME IN MILPITAS

### Secondhand Smoke Poses Serious Health Threats to Children & Adults

Frequent and recurring exposure to secondhand smoke (SHS) can cause health problems such as asthma, heart disease, cancer and Sudden Infant Death Syndrome, as well as worsen a chronic illness. Children, the elderly, and the disabled are especially vulnerable to exposure of SHS, yet they are the least able to avoid it.



Tobacco smoke contains more than 7,000 chemicals, including hundreds that are toxic and about 70 that can cause cancer. <sup>1</sup>



The U.S. Surgeon General has concluded that there is no risk-free level of exposure to secondhand smoke. Breathing even a little SHS can be harmful. <sup>2</sup>



Exposure to SHS is responsible for premature deaths of 41,000 non-smokers every year in the U.S. <sup>1</sup>

### Secondhand Smoke Exposure in Multi-Unit Housing

The home is now the #1 source of SHS exposure.

- Smoke travels through doorways, cracks in walls, electrical outlets, ventilation systems, and plumbing.
- Opening windows and using fans does not remove SHS.
- Heating, air conditioning, and ventilation systems cannot eliminate exposure to SHS.



**20%**

of Milpitas households live in multi-unit housing (MUH) <sup>3</sup>



**3x**

the total student population of Milpitas High School

**29%**

of Santa Clara County residents report smelling tobacco smoke drifting into their home from nearby apartments or from outside <sup>4</sup>

In Santa Clara County, the rate of SHS exposure was even higher among Latino adults living in multi-unit housing (39%), those with less than a high school diploma (38%), and adults with household incomes less than \$15,000 (36%) <sup>4</sup>

## The Solution: Smoke-Free Multi-Unit Housing Policy

The most effective way to address SHS exposure is to implement citywide policies that restrict smoking within all MUH, including common areas, balconies, and patios. There are now over 50 jurisdictions in California that have adopted comprehensive smoke-free housing policies, including Unincorporated Santa Clara County, and the Cities of Sunnyvale, Saratoga, Palo Alto and Los Gatos.

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### Increased Attention & Demand for Smoke-Free Housing

90% of Santa Clara County residents do not smoke and 65% of adults do not allow smoking in or around their home. <sup>4</sup>

**96%** of Santa Clara County apartment residents believe that smokers should not be allowed to smoke wherever they want <sup>5</sup>

**84%** of Santa Clara County apartment residents surveyed said that they would support a No Smoking Policy at their multi-unit housing complex <sup>5</sup>

The California Apartment Association (CAA) believes that restricting smoking in a lease is no different than restrictions on noise, quiet hours, pool use, pets and guests - these are all house rules that protect residents and the owner's property. <sup>6</sup>

### Win-Win Proposition for Residents, Owners & Property Managers

- Protect residents and employees from SHS exposure
- Encourage healthy behaviors in residents and employees
- Respond to market demand for smoke-free multi-unit housing
- Reduce turnover costs for new residents
- Lower fire risks and related insurance costs
- Reduce legal actions related to SHS exposure

### Get involved and make an impact in your community!

- Join our Tobacco-Free Coalition of Santa Clara County.
- Join our Smoke-free MUH workgroup.
- Invite us to present to your organization or housing association.
- Invite us to participate in neighborhood outreach events.
- Request signage or materials for your organization or housing site.
- Obtain model policy for smoke-free MUH for your city.

For more information, please call 408-793-2700.



#### Sources:

1. The Health Consequences of Smoking - 50 Years of Progress: A Report of the Surgeon General (2014)
2. The Health Consequences of Involuntary Exposure to Tobacco Smoke (2006)
3. U.S. Census Bureau, 2007-2011 American Community Survey 5-Year Estimates
4. Santa Clara County Public Health Department, 2013-2014 Behavioral Risk Factor Survey
5. Santa Clara County Public Health Department, 2011-2012 Public Opinion Poll
6. Policy Statements of the California Apartment Association



Tobacco-Free Coalition  
of Santa Clara County

Santa Clara County  
**PUBLIC  
HEALTH**

## 1/2020: Tobacco-Free Communities - Policies Across Santa Clara County Jurisdictions

Jurisdiction	Reducing Exposure to Secondhand Smoke							Reducing Youth Access & Exposure to Tobacco Products				
	Parks & Trails	Outdoor Dining Areas	Entryways	Service Areas	Public Events	Multi-Unit Housing	Common Areas of Multi-Unit Housing	Tobacco Retail Permit	Reduce Density of Tobacco Outlets	Limit Sales Near Schools	Flavored Tobacco Restrictions	Limit Sales in Pharmacies
County of Santa Clara	2010	2010	2010	2010		2010	2010	2010	2010	2010	2010	2010
Campbell	2011	2011	2011	2011	2011			2012				
Cupertino	2011	2014	2014					2019	2019	2019	2019	2019
Gilroy								2014		2014		
Los Altos	2011	2018	2018	2018	2018							
Los Altos Hills		n/a*		n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*
Los Gatos	2013	pre-2010	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017
Milpitas	2012	2017										
Monte Sereno	n/a*	n/a*	n/a*	n/a*	n/a*			n/a*	n/a*	n/a*	n/a*	n/a*
Morgan Hill	2012	2012	2012	2012	2012			2014	2019	2019	2019	2019
Mountain View		2012	2012		2012							
Palo Alto	2013	2014	2014	2014	2014	2016	2016	2017	2017	2017	2017	2017
San Jose	pre-2010	2012		2012			2012	2011				
Santa Clara	2019	2019	2019	2019	2019	2019	2019					
Saratoga	pre-2010	2016	2016	2016	2016		2016	2015	2016	2016	2018**	2018
Sunnyvale	2012	2016	2016	2016	2016	2016	2016					

\* Not included in denominator of % of county population covered by policy because don't have the specific venues/areas covered by policy (Ex. Monte Sereno & Los Altos Hills do not have any tobacco retailers)

\*\* Includes an exemption for menthol-cigarettes

Rev. 1/20

17. **Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and Authorize the Submittal of Both Reports to California Department of Housing and Community Development (HCD)**

**Recommendation:**

Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and authorize the submittal of both reports to California Department of Housing and Community Development (HCD)





## CITY OF MILPITAS AGENDA REPORT (AR)

271

<b>Item Title:</b>	<b>Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and Authorize the Submittal of Both Reports to California Department of Housing and Community Development (HCD)</b>
<b>Category:</b>	Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
<b>Recommendation:</b>	Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and authorize the submittal of both reports to California Department of Housing and Community Development (HCD)

### **Background:**

Each year local jurisdictions provide an Annual Progress Report to the California Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD) on the status of the City's Housing Element and housing permit activity. More specifically, the State requests a report describing the community's progress in meeting its Regional Housing Needs Allocation (RHNA) goals to maintain, improve and develop housing through permitting and housing related programs. The City's Housing Element was certified by the State when it demonstrated that adequate sites have been identified to accommodate the City's RHNA housing growth, whereas the Annual Report tracks the actual process of building new housing. The reporting timeframe covers the RHNA cycle of 2015-2023.

In March 2015, a new State reporting requirement mandates that jurisdictions also submit a Housing Successor Agency Annual Report with the Annual Progress Report. The Housing Successor Annual Report details activities the Milpitas Housing Authority has undertaken over the 2018-2019 fiscal year relating to the Low and Moderate-Income Housing Asset Fund (LMIHAF). The format of the report is prepared in accordance with the forms adopted by HCD. Both reports are attached for reference.

### **Analysis:**

The information that follows provides a summary of the City's housing production for calendar year 2019. The attachments include the full report to the California Department of Housing and Community Development. Some tables have been left blank because they do not apply.

### **Housing Element Annual Progress Report**

Following recent changes in state law, this report tracks the entire process from application through certificate of occupancy. The following table provides an overview which is followed by a breakdown for each of these milestones of development. Some projects are recorded in several categories. For instance, applications for certain projects were submitted and entitled in 2019, and other projects were issued building permits and certificates of occupancy in 2019.

<b>Housing Production in Milpitas</b>		
	2018 Housing Units	2019 Housing Units
Applications	279	94
Entitlements	102	140
Building Permits	1,786	141
Occupancy	414	534

### Housing Applications

Attachment 1, Table A lists the number of housing development applications submitted to the Planning Department. In 2019, the City received 23 housing development applications to develop a total of 94 units. Of those 23 applications, 22 were to develop accessory dwelling units (ADUs) using the City's new ADU streamlining process. Additionally, one application that was approved by the City Council in 2019, 91 Montague Expressway, totaled 60 units of which 10 units will be deed restricted for moderate-income households and 2 units will be deed restricted for low-income households. The below table summarizes this data. For full details see Attachment 1, Table A.

<b>Housing Applications Submitted in 2019</b>						
	Projects	Extremely Low / Very Low	Low	Moderate	Above Moderate	Total Units
Multifamily	1	0	2	10	60	<b>72</b>
ADU	22	0	0	0	22	<b>22</b>
Single Family	0	0	0	0	0	<b>0</b>
Two to Four Unit	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>23</b>	<b>0</b>	<b>2</b>	<b>10</b>	<b>82</b>	<b>94</b>

### Housing Entitlements, Building Permits, and Occupancy

Attachment 1, Table A2 lists the projects that have completed the entitlement process, have been issued building permits, or have passed the final inspection conducted by the Department of Building Safety and Housing. All of the units in Table A were entitled by the City in 2019 so they also appear on the Completed Entitlement section of Table A2. The majority of units issued entitlements were multifamily units. The below table summarizes entitlement data. For full details see Table A2 in attachment 1.

<b>Housing Entitlements Approved in 2019</b>						
	Projects	Extremely Low / Very Low	Low	Moderate	Above Moderate	Total Units
Multifamily	2	0	2	16	94	<b>112</b>
ADU	23	0	0	0	23	<b>23</b>
Single Family	2	0	0	0	2	<b>2</b>
Two to Four Unit	1	0	0	0	3	<b>3</b>
<b>Total</b>	<b>28</b>	<b>0</b>	<b>2</b>	<b>16</b>	<b>122</b>	<b>140</b>

The City issued building permits for 22 housing developments for a total of 141 units. All the units are above moderate-income units, and 17 units are ADUs. Most of the units issued building permits are single family/townhome units while 12 are multi-family units.

<b>Housing Building Permits Issued in 2019</b>						
	Projects	Extremely Low / Very Low	Low	Moderate	Above Moderate	Total Units
Multifamily	1	0	0	0	12	<b>12</b>
ADU	17	0	0	0	17	<b>17</b>
Single Family	4	0	0	0	112	<b>112</b>
Two to Four Unit	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141</b>	<b>141</b>

The City issued occupancy for 534 housing units in 2019. This disproportionately large number is due to City issuing 80 building permits for a total of 1,786 units in 2018. None of the units that received occupancy in 2019 are deed restricted affordable. And while 17 of the 534 units are ADUs, and designated as rental units, some of these units may be occupied by family members and may not enter the rental market in the near term.

<b>Housing Occupancy Issued in 2019</b>						
	Projects	Extremely Low / Very Low	Low	Moderate	Above Moderate	Total Units
Multifamily	3	0	0	0	250	<b>250</b>
ADU	17	0	0	0	17	<b>17</b>
Single Family	5	0	0	0	267	<b>267</b>
Two to Four Unit	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>534</b>	<b>534</b>

#### Overall Progress on RHNA Goals

While this report now tracks all steps in the development cycle, RHNA production goals are measured by building permits issued. For the 2015-2023 RHNA cycle, the total housing production goal for the City of Milpitas is 3,290 housing units. The City has exceeded its goal for above moderate-income housing units. In 2019, the City added 141 additional above moderate income units, but still needs to issue building permits for 2,129 affordable units (extremely low to moderate income units) to fully meet its RHNA production goals. This is summarized in the table below. For details on the City's overall progress since 2015, see Attachment 1, Table B.

<b>Milpitas RHNA By Income Level</b>					
	Extremely Low / Very Low	Low	Moderate	Above Moderate	Total Units
RHNA Goals for 2015-2023	1,004	570	565	1,151	<b>3,290</b>
Building Permits 2015-2019	10	0	0	2,380	<b>2,390</b>
Remaining Balance of RHNA	994	570	565	0	<b>2,129</b>

Meeting the City's affordable housing production goals will require a combination of mixed income (inclusionary) and standalone affordable housing development. On June 19, 2018 the City adopted an Affordable Housing Ordinance which requires that 15% of all new housing units be affordable to very low-income, low-income, or moderate-income households or for developers to pay a fee towards affordable housing production or preservation. The following upcoming developments will help propel the City towards meeting its remaining RHNA goals. The upcoming projects will yield an estimated 341 affordable units for very-low income, low-income, and moderate-income households. These projects are anticipated to apply for building permits in 2020 or 2021.

<b>Affordable Housing and Mixed-Income Projects<sup>1</sup></b>					
Project	Extremely Low / Very Low	Low	Moderate	Above Moderate	Total Units
355 Sango Court	85	16	0	1	<b>102</b>
1380-1400 S. Main Street	10	0	0	210	<b>220</b>
91 Montague Expressway	0	2	10	60	<b>72</b>
1005 N. Park Victoria Drive	0	0	4	44	<b>48</b>
2001 Tarob Court	0	0	6	34	<b>40</b>
600 Barber Lane	0	56	0	316	<b>372</b>
Senior Lifestyles Phase 2	38	0	0	152	<b>190</b>
308 Sango Court	0	114	0	0	<b>114</b>
<b>Total</b>	<b>133</b>	<b>188</b>	<b>20</b>	<b>817</b>	<b>1,158</b>

<sup>1</sup> Affordability levels are estimates and may be subject to change as projects are finalized.

It is critical to note that 47% of our remaining RHNA production is for extremely/very low housing. Currently, our Affordable Housing Ordinance does not require extremely low production, which underscores the importance of Measure A projects and building support for them. Measure A is a \$950 million affordable housing bond passed by Santa Clara County voters in November 2016. Measure A helps to fund supportive housing development for special needs populations as well as housing for extremely low-income households.

### Housing Programs

The annual submittal also reports on the City's progress on implementing housing related policies and programs. Among the programs where the City made progress in 2019, the following provides a highlight:

- The City anticipates the construction of approximately 133 new extremely-low/very-low income units, 188 low-income units, and 20 moderate-income units in the next few years. These will be built as stand-alone affordable housing and as mixed-income housing in compliance with the City's Affordable Housing Ordinance.
- The City Council authorized the creation of a Pilot Rent Relief Program, which allocated \$100,000 in financial assistance to Milpitas residents and families that have emergency housing needs such as rent, deposit relief, emergency hardship, eviction prevention, domestic violence relocation, child homelessness relief, and Section 8 Good Faith Deposit assistance. To date, the program has assisted ten households with a total of 36 residents.
- In 2019, the City awarded Project Sentinel a \$50,000 contract to administer the Milpitas Rent Review Ordinance. The program helps tenants and landlords resolve rent increase disputes, prohibits discrimination based on a tenant's source of income, and prohibits landlord retaliation.
- Project Sentinel also hosted two quarterly educational workshops to distribute information about fair housing laws.
- The City's Planning Department neared completion of the Draft General Plan. The revised General Plan will identify areas that can accommodate greater residential densities and mixed uses.

For details on these and other programs, please refer to Attachment 1, Table D.

### RHNA Update

Most jurisdictions throughout California have challenges meeting their RHNA objectives, including those in the Bay Area. As housing production is a regional issue that transcends city boundaries and barriers, shared housing strategies would benefit all communities in the area. Toward this end, staff has been participating in Association of Bay Area Governments' (ABAG) Housing Methodology Committee for the 2022-2030 RHNA cycle. Recently, staff also submitted a local jurisdiction survey on housing factors and fair housing to ABAG to provide local perspectives and input into the RHNA methodology for ABAG. In December 2019, the Council adopted a Resolution to join members of the Cities Association of Santa Clara County to form a housing collaborative, which staff will be participating in once meetings begin. In addition to implementing the City's Affordable Housing Ordinance and various programs, staff will continue to collaborate with regional organizations and participating cities on a coordinated effort to promote affordable housing production.

### **Housing Successor Agency Annual Report**

The Housing Successor Annual Report (Attachment 2) addresses the requirements of California Health and Safety Code Section 34176.1(f) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF). This Report outlines the financial and housing covenant details of the Milpitas Housing Authority (Housing Successor) for 2018-19 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

This Report includes discussion on the deposits, ending balance, and expenditures from the LMIHAF. A description of the Housing Successor's assets, and any transfers of assets to other housing successor agencies are also addressed. The Report also discusses the Housing Successor's current projects, acquisitions of any real property since February 1, 2012, or any outstanding obligations. Finally, as required by law, three separate



tests are discussed – the income test, senior housing test, and excess surplus test. The results of these tests are discussed in Attachment 2.

**Policy Alternative:**

Not applicable.

**Fiscal Impact:**

There is no fiscal impact to the City.

**California Environmental Quality Act:**

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

**Recommendation:**

Receive 2019 Housing Element Annual Progress Report and Housing Successor Agency Annual Report and authorize the submittal of both reports to California Department of Housing and Community Development (HCD).

**Attachments:**

1. Housing Element Annual Progress Report
2. Housing Successor Agency Annual Report

Jurisdiction	Milpitas
Reporting Year	2019 (Jan. 1 - Dec. 31)

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A Housing Development Applications Submitted																			
Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes							Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes	
1					2	3	4	5							6	7	8	9	10
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,M/H)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project (Auto-calculated Can Be Overwritten)	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes*
Summary Row: Start Data Entry Below								0	0	2	0	10	0	82	94	94	0	0	
	2911021	507 Cestarc Dr	Garage conversion to ADU	P-ADU19-0001	ADU	R	2/4/2019								1	1	1	0	No ADU streamlining used.
	2221070	283 N Abbott Av	450SQ FT GARAGE CONVERSION	P-ADU19-0002	ADU	R	2/25/2019								1	1	1	0	No ADU streamlining used.
	2602055	2021 Conway St	2ND STORY ADDITION AND ADU	P-ADU19-0003	ADU	R	2/26/2019								1	1	1	0	No ADU streamlining used.
	8828070	1630 Everglades Dr		P-ADU19-0004	ADU	R	3/14/2019								1	1	1	0	No ADU streamlining used.
	8805034	320 Perry St	New ADU	P-ADU19-0005	ADU	R	4/4/2019								1	1	1	0	No ADU streamlining used.
	2222017	402 Maryllyn Dr	Garage to ADU	P-ADU19-0006	ADU	R	4/8/2019								1	1	1	0	No ADU streamlining used.
	2611120	255 Hazen St	Attached ADU 470.36 SF	P-ADU19-0007	ADU	R	4/10/2019								1	1	1	0	No ADU streamlining used.
	2943092	1467 Brian Ct	Detached 478.4 SF ADU	P-ADU19-0008	ADU	R	4/12/2019								1	1	1	0	No ADU streamlining used.
	2219047	491 Maryllyn Dr	Detached ADU 594 SQ. FT	P-ADU19-0009	ADU	R	5/29/2019								1	1	1	0	No ADU streamlining used.
	2929002	1789 View Dr	863 sf Detached 2-story ADU	P-ADU19-0010	ADU	R	6/27/2019								1	1	1	0	No ADU streamlining used.
	2210034	806 Coyote St	560 sf Detached ADU	P-ADU19-0011	ADU	R	6/27/2019								1	1	1	0	No ADU streamlining used.
	2624079	860 Nieves St	Attached ADU	P-ADU19-0012	ADU	R	7/15/2019								1	1	1	0	No ADU streamlining used.
	2810060	470 Dundee Av	800 SQ FT ADU an addition to existing 475 ADU	P-ADU19-0013	ADU	R	7/19/2019								1	1	1	0	No ADU streamlining used.
	2212001	658 Penitencia St	Garage conversion to ADU	P-ADU19-0014	ADU	R	8/14/2019								1	1	1	0	No ADU streamlining used.
	2602062	1931 Conway St	425 S.Q.F.T ADU Attached in front	P-ADU19-0015	ADU	R	9/9/2019								1	1	1	0	No ADU streamlining used.
	8820028	2118 Yosemite Dr	663 SF detached ADU	P-ADU19-0016	ADU	R	9/25/2019								1	1	1	0	No ADU streamlining used.
	8803004	161 S Park Victoria Dr	New 750 SF detached ADU	P-ADU19-0017	ADU	R	10/16/2019								1	1	1	0	No ADU streamlining used.
	8821072	2144 Shiloh Av	CONVERT EXISTING GRAGE TO ADU	P-ADU19-0018	ADU	R	10/24/2019								1	1	1	0	No ADU streamlining used.
	8613018	225 Evening Star Ct	463 sf attached ADU	P-ADU19-0019	ADU	R	11/19/2019								1	1	1	0	No ADU streamlining used.
	2603064	168 Callan St	AFU 576 SQ. FT	P-ADU19-0020	ADU	R	12/5/2019								1	1	1	0	No ADU streamlining used.
	8803001	125 S Park Victoria Dr	New detached 800 sf ADU	P-ADU19-0021	ADU	R	12/9/2019								1	1	1	0	No ADU streamlining used.
	2802079	817 Terra Bella Dr	556 SQFT Detached ADU	P-ADU19-0022	ADU	R	12/16/2019								1	1	1	0	No ADU streamlining used.
	8634023	91 MONTAGUE EX	72 CONDOMINIUM UNITS	P-SD19-0003	5+	O	2/25/2019			2	0	10		60	72	72	0	No	
															0				
															0				



<b>Jurisdiction</b>	Milpitas	
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## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202)

[illegible]

Jurisdiction	Milpitas
Reporting Year	2019 (Jan. 1 - Dec. 31)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

(CCR Title 25 §6202)

Project Identifier					Unit Types		Affordability by Household Incomes - Building Permits									
1					2	3	7								8	9
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits	
Summary Row: Start Data Entry Below							0	0	0	0	0	0	141		141	
	2911021	507 Cestaric Dr			ADU	R							1	2/8/19	1	
	8805034	320 Perry St			ADU	R							1	5/1/19	1	
	2943092	1467 Brian Ct			ADU	R							1	10/8/19	1	
	2219047	491 Marylinn Dr			ADU	R							1	8/27/2019	1	
	2624079	860 Nieves St			ADU	R							1	8/5/2019	1	
	2611120	255 Hazen St			ADU	R							1	7/23/2019	1	
	2221070	283 N Abbott Av			ADU	R									0	
	2602055	2021 Conway St			ADU	R									0	
	8828070	1630 Everglades Dr			ADU	R									0	
	2222017	402 Marylinn Dr			ADU	R									0	
	2929002	1789 View Dr			ADU	R									0	
	2210034	806 Coyote St			ADU	R									0	
	2810060	470 Dundee Av			ADU	R									0	
	2212001	658 Penitencia St			ADU	R									0	
	2602062	1931 Conway St			ADU	R									0	
	8820028	2118 Yosemite Dr			ADU	R									0	
	8803004	161 S Park Victoria Dr			ADU	R									0	
	8821072	2144 Shiloh Av			ADU	R									0	
	8613018	225 Evening Star Ct			ADU	R									0	
	2603064	168 Callan St			ADU	R									0	
	8803001	125 S Park Victoria Dr			ADU	R									0	
	2802079	817 Terra Bella Dr			ADU	R									0	
	8634023	91 MONTAGUE EX			5+	O									0	
	2824025	86 N Main St			2 to 4	R									0	
	8636034	2001 Tarob Ct			5+	O									0	
	2906308	898 Calaveras Ridge Drive			SFD	O									0	
	2906308	899 Calaveras Ridge Drive			ADU	R									0	
	042-30-015	529 Vista Ridge Drive			SFD	O									0	
	8641034	1773 Hazelnut Lane	Houret Townhomes		SFA	O							26	6/2/2019	26	
	8632033	1487 Nightshade Road	Flats at Metro		5+	O							12	11/4/2019	12	
	2237017	439 Snap Dragon Street	California Circle		SFA	O							48	4/6/2019	48	
	8636040	1913 Joshua Tree Circle	Tarob Court Townhomes		SFA	O							38	10/15/2019	38	

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Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

(CCR Title 25 §6202)

				SFD	O							1	7/11/2019	1
	2907013	1303 Countryside Court												
	8808092	1470 Saturn Ct			ADU	R						1	5/28/19	1
	8827073	1720 Shenandoah Av			ADU	R						1	5/14/19	1
	2208028	198 Orion Ct			ADU	R						1	11/15/19	1
	8819020	431 Ferreira Ct			ADU	R						1	9/3/19	1
	8827004	1576 Edsel Dr			ADU	R						1	12/5/19	1
	8820117	707 Carlsbad St			ADU	R						1	8/22/2019	1
	8806004	423 Carnegie Dr			ADU	R						1	3/8/19	1
	8806004	421 Carnegie Dr			ADU	R						1	3/8/19	1
	8832062	815 Platt Ct			ADU	R						1	9/20/19	1
	2624037	1272 Madalen Dr			ADU	R						1	7/17/19	1
	8632036	576 Clover Circle	Piper Drive Townhomes		SFA	O								0
	8628050	372 Hearst Drive	PRYNT		SFA	O								0
	8632051	752 Amalfi Loop	Sienna Townhomes		SFA	O								0
	8637020	1630 Delano Street	450 Montague		5+	O								0
	8633087	421 Montague Expressway	Center Pointe		5+	O								0
	8804027	87 Carnegie			ADU	R								0
	8804027	87 Carnegie			ADU	R								0
	8815006	158 S Temple Dr			ADU	R								0
	8811073	145 Roswell Dr			ADU	R								0
	2625033	618 Manzano St			ADU	R								0
	2951017	680 Ann Pl			ADU	R								0
	2614045	121 Sudbury Ct			ADU	R								0
	8621039	56 Cedar Ct			ADU	R								0
	2950040	935 Hampton Ct			ADU	R								0
	2920052	1614 Ellis Av			ADU	R								0
	8806004	423 Carnegie Dr			ADU	R								0
	8806004	421 Carnegie Dr			ADU	R								0
	8810018	1699 Jupiter Dr			ADU	R								0



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	2907013	1303 Countryside Court			SFD	O											0
	8808092	1470 Saturn Ct			ADU	R											0
	8827073	1720 Shenandoah Av			ADU	R											0
	2208028	198 Orion Ct			ADU	R											0
	8819020	431 Ferreira Ct			ADU	R											0
	8827004	1576 Edsel Dr			ADU	R											0
	8820117	707 Carlsbad St			ADU	R											0
	8806004	423 Carnegie Dr			ADU	R								1	10/21/2019		1
	8806004	421 Carnegie Dr			ADU	R								1	10/21/2019		1
	8832062	815 Platt Ct			ADU	R											0
	2624037	1272 Madalen Dr			ADU	R											0
	8632036	576 Clover Circle	Piper Drive Townhomes		SFA	O								67	11/26/2019		67
	8628050	372 Hearst Drive	PRYNT		SFA	O								16	11/8/2019		16
	8632051	752 Amalfi Loop	Sienna Townhomes		SFA	O								73	12/17/2019		73
	8637020	1630 Delano Street	450 Montague		5+	O								49	11/26/2019		49
	8633087	421 Montague Expressway	Center Pointe		5+	O								91	12/10/2019		91
	8804027	87 Carnegie			ADU	R								1	6/6/2019		1
	8804027	87 Carnegie			ADU	R								1	9/9/2019		1
	8815006	158 S Temple Dr			ADU	R								1	1/15/19		1
	8811073	145 Roswell Dr			ADU	R								1	5/13/19		1
	2625033	618 Manzano St			ADU	R								1	5/22/19		1
	2951017	680 Ann Pl			ADU	R								1	6/4/19		1
	2614045	121 Sudbury Ct			ADU	R								1	6/28/19		1
	8621039	56 Cedar Ct			ADU	R								1	8/15/19		1
	2950040	935 Hampton Ct			ADU	R								1	8/16/19		1
	2920052	1614 Ellis Av			ADU	R								1	10/16/19		1
	8806004	423 Carnegie Dr			ADU	R								1	10/21/19		1
	8806004	421 Carnegie Dr			ADU	R								1	10/21/19		1
	8810018	1699 Jupiter Dr			ADU	R								1	11/8/19		1



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Project Identifier					Unit Types			Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Notes
1					2	3	13	14	15	16	17	18	19	20			21
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4.5+ADU,MH)	Tenure R=Renter O=Owner	How many of the units were Extremely Low Income?*	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units*	Demolished or Destroyed Units*	Demolished/Destroyed Units Owner or Renter*	Notes*
Summary Row: Start Data Entry Below							0	0						0	0	0	
	12911021	507 Cestarc Dr			ADU	R	0	N	Y					0			
	8805034	320 Perry St			ADU	R	0	N	Y					0			
	2943092	1467 Brian Ct			ADU	R	0	N	Y					0			
	12119047	491 Maryllyn Dr			ADU	R	0	N	Y					0			
	2624079	860 Nieves St			ADU	R	0	N	Y					0			
	2611120	255 Hazen St			ADU	R	0	N	Y					0			
	2221070	283 N Abbott Av			ADU	R	0	N	Y					0			
	2602055	2021 Conway St			ADU	R	0	N	Y					0			
	8828070	1630 Everglades Dr			ADU	R	0	N	Y					0			
	2222017	402 Maryllyn Dr			ADU	R	0	N	Y					0			
	2929002	1789 View Dr			ADU	R	0	N	Y					0			
	2210034	806 Coyote St			ADU	R	0	N	Y					0			
	2810060	470 Dundee Av			ADU	R	0	N	Y					0			
	2212001	658 Penitencia St			ADU	R	0	N	Y					0			
	2602062	1931 Conway St			ADU	R	0	N	Y					0			
	8820028	2118 Yosemite Dr			ADU	R	0	N	Y					0			
	8803004	161 S Park Victoria Dr			ADU	R	0	N	Y					0			
	8821072	2144 Shiloh Av			ADU	R	0	N	Y					0			
	8613018	225 Evening Star Ct			ADU	R	0	N	Y					0			
	2803064	168 Callan St			ADU	R	0	N	Y					0			
	8803001	125 S Park Victoria Dr			ADU	R	0	N	Y					0			
	2802079	817 Terra Bella Dr			ADU	R	0	N	Y					0			
	8634023	91 MONTAGUE EX			5+	O	0	N	Y		INC		45	0			
	2824025	86 N Main St			2 to 4	R	0	N	Y					0			
	8636034	2001 Tarob Ct			5+	O	0	N	Y		INC		45	0			
	2906308	898 Calaveras Ridge Drive			SFD	O	0	N	N					0			
	2906308	899 Calaveras Ridge Drive			ADU	R	0	N	N					0			
	042-30-015	529 Vista Ridge Drive			SFD	O	0	N	N					0			
	8641034	1773 Hazelnut Lane	Houret Townhomes		SFA	O	0	N	Y					0			
	8632033	1487 Nighthade Road	Plats at Metro		5+	O	0	N	Y					0			
	1237017	439 Snap Dragon Street	California Circle		SFA	O	0	N	Y					0			
	8636040	1913 Joshua Tree Circle	Tarob Court Townhomes		SFA	O	0	N	Y					0			
	2907013	1303 Countryside Court			SFD	O	0	N	N					0			
	8808092	1470 Saturn Ct			ADU	R	0	N	Y					0			
	8827073	1720 Shenandoah Av			ADU	R	0	N	Y					0			
	2208028	198 Orion Ct			ADU	R	0	N	Y					0			
	8819020	431 Ferreira Ct			ADU	R	0	N	Y					0			
	8827004	1576 Edsel Dr			ADU	R	0	N	Y					0			
	8820117	707 Carlbad St			ADU	R	0	N	Y					0			
	8806004	423 Carnegie Dr			ADU	R	0	N	Y					0			
	8806004	421 Carnegie Dr			ADU	R	0	N	Y					0			
	8832062	815 Platt Ct			ADU	R	0	N	Y					0			
	2624037	1272 Madalen Dr			ADU	R	0	N	Y					0			
	8632036	576 Clover Circle	Piper Drive Townhomes		SFA	O	0	N	Y					0			
	8628050	372 Hearst Drive	PRYNT		SFA	O	0	N	Y					0			
	8632051	752 Amalfi Loop	Sienna Townhomes		SFA	O	0	N	Y					0			
	8637020	1630 Delano Street	450 Montague		5+	O	0	N	Y					0			
	8633087	421 Montague Expressway	Center Pointe		5+	O	0	N	Y					0			
	8804027	87 Carnegie			ADU	R	0	N	Y					0			

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8804027	87 Carnegie			ADU	R	0	N	Y					0			
8815006	158 S Temple Dr			ADU	R	0	N	Y					0			
8811073	345 Roswell Dr			ADU	R	0	N	Y					0			
2625033	618 Manzano St			ADU	R	0	N	Y					0			
2951017	680 Ann Pl			ADU	R	0	N	Y					0			
2614045	121 Sudbury Ct			ADU	R	0	N	Y					0			
8621039	56 Cedar Ct			ADU	R	0	N	Y					0			
2950040	935 Hampton Ct			ADU	R	0	N	Y					0			
2920052	1614 Ellis Av			ADU	R	0	N	Y					0			
8806004	423 Carnegie Dr			ADU	R	0	N	Y					0			
8806004	421 Carnegie Dr			ADU	R	0	N	Y					0			
8810018	1699 Jupiter Dr			ADU	R	0	N	Y					0			

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Reporting Year	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation  
(CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.  
Please contact HCD if your data is different than the material supplied here

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2									3	4
Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	1004				10						10	994
	Non-Deed Restricted												
Low	Deed Restricted	570											570
	Non-Deed Restricted												
Moderate	Deed Restricted	565											565
	Non-Deed Restricted												
Above Moderate		1151	270	82	111	1776	141					2380	
Total RHNA		3290											
Total Units			270	82	111	1786	141					2390	2129

Note: units serving extremely low-income households are included in the very low-income permitted units totals  
Cells in grey contain auto-calculation formulas



# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

<b>Jurisdiction</b>	Milpitas		
<b>Reporting Year</b>	2019	(Jan. 1 - Dec. 31)	
<b>Table D</b>			
<b>Program Implementation Status pursuant to GC Section 65583</b>			
<b>Housing Programs Progress Report</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Name of Program</b>	<b>Objective</b>	<b>Timeframe in H.E</b>	<b>Status of Program Implementation</b>
<b>Program A.1.1: Facilitate land acquisition and site assembly.</b>	The City will continue to work with local property owners to assemble small sites for future developments.	Report annually, ongoing	City staff is working with a few property owners to assemble small parcels, with a focus on the Midtown Specific Plan area and Transit Area Specific Plan (TASP). As staff undertakes both the TASP and the Midtown Specific Plan update in 2020, we will work closely with property owners to identify other sites for lot assemblage to allow greater residential densities in close proximity to public transit.
<b>Program A.2.1: Consider land use re-designations as needed</b>	The City will consider land use re-designations as needed in order to accommodate specific residential projects.	Ongoing	The City is updating the General Plan currently, and has identified areas that will need to be redesignated for either greater residential densities or mixed uses that allow residential. Adoption of the General Plan is anticipated in mid-2020.
<b>Program B.1.1: Enforce housing code and regulations to correct code violations while minimizing the displacement of residents.</b>	The City will continue to enforce its existing codes through code enforcement.	Ongoing	The City employs four employees in the code enforcement division to enforce the Neighborhood Beautification Ordinance and the following subsections of the Milpitas Municode: Solid Waste, Graffiti, Animal, Zoning Signs, Noise, Junk Car, and Administrative Citations.
<b>Program B.1.2:</b>	The City will assist any households displaced through code enforcement activities to relocate to other suitable housing that is affordable to the households that are displaced.	Ongoing	No activity to report in 2019.

<b>Program B.2.1: Provide assistance for the rehabilitation of housing units occupied by very low-income and low-income households.</b>	The City will provide funds to assist very low- and low-income owner households to undertake repairs to their homes to bring them up to standard.	Ongoing	The City refers such projects to Rebuilding Together Silicon Valley.
<b>Program B.2.2:</b>	The City will continue to provide CDBG funds to Rebuilding Together to provide safety, accessibility, and mobility repairs to mobile and single family homes owned by very low- and low-income households.	Report annually, ongoing	In 2019, the City awarded Rebuilding Together Silicon Valley \$175,000 in CDBG funds to assist very low- and low-income owner households to undertake repairs to their homes to bring them up to standard.
<b>Program B.2.3:</b>	The City will continue to support Project Sentinel, which provides fair housing assistance, landlord-tenant mediation services, and mortgage default counseling to Milpitas residents.	Report annually, ongoing	In 2019, the City awarded Project Sentinel a total of \$10,000 in CDBG funds for Fair Housing assistance as well as an additional \$40,000 for tenant-landlord services.
<b>Program B.3.1: Monitor the need to replace infrastructure as needed to conserve older neighborhoods.</b>	The City will allocate resources to rehabilitate and/or replace infrastructure in older neighborhoods whose infrastructure has reached obsolescence.	Ongoing	This work is ongoing.
<b>Program B.4.1: Collaborate with other public and private entities to ensure that no extremely low-, very low-, or low-income residents are adversely impacted by the conversion of existing affordable housing projects to market rate rents.</b>	The City will continue to monitor the status of the 149 units at risk of conversion to market rates at Sunnyhills Apartments.	By the March 2018 expiration of the HUD contract	In March 2018, the City and the owner reached an agreement to renew the HUD contract for an additional five years, with the City reimbursing the owner up to \$250,000 per year for 5 years, for improvements and repairs completed on the property.

<b>Program B.5.1: Maintain the existing stock of housing affordable to ELI, VLI, and moderate-income households that is provided through the private market and provide tenant protections for apartmetns at risk of condo conversion</b>	The City will continue to administer its condominium conversion ordinance to minimize the negative impacts of conversions on the rental market.	Ongoing	Ongoing, and the City currently sees very few condominium conversions for rental projects.
<b>Program B.5.2:</b>	The City will continue to administer its mobile home rent control ordinance, which regulates rental rates and the rights and responsibilities of tenants and property owners for the three mobile home parks in Milpitas.	Ongoing	No activity to report in 2019.
<b>Program C.1.1: Continue to facilitate housing production through implementation of the TASP and Midtown Specific Plan.</b>	Continue to expedite environmental review in the TASP area by utilizing the Specific Plan EIR for projects that are consistent with the TASP.	Report annually, ongoing	Ongoing, and the City currently sees very few condominium conversions for rental projects.
<b>Program C.1.2:</b>	The City will continue to implement the planning and design guidelines specified in the Midtown and Transit Specific Plans, including minimum densities, intensive land utilization, and mixed-use zoning.	Ongoing	Ongoing, and staff will be updating the Midtown Plan in 2020 with new design guidelines, densities and land use designations.
<b>Program C.2.1: Address public infrastructure constraints to housing production where feasible.</b>	The City will continue to coordinate sanitary and storm sewer improvements with the Cities of San Jose and Santa Clara if needed to acquire sufficient wastewater capacity to serve residential development. Measures may include reduction of wastewater flows, and the purchase of surplus capacity.	Ongoing	This work is ongoing.

<b>Program C.2.2:</b>	The City will continue to work with Valley Water to reduce the extent of the flood plain on the housing sites identified in the Midtown Specific Plan in accordance with the Safety Element Update.	Ongoing	This work is ongoing.
<b>Program C.2.3:</b>	The City will explore alternatives to the on-site retention of stormwater on each housing site, including the development of an area-wide retention pond or allowances for porous pavement to absorb runoff.	Ongoing	Staff has not yet begun to coordinate on this effort with the Engineering Department, but is open to the exploration.
<b>Program C.2.4:</b>	The City will continue to pursue state and federal grants and other financing to reduce the cost of off-site traffic improvements for housing developers in the City.	Ongoing	Staff collaborates with the Engineering Department on any financing options and/or grants to reduce off-site traffic improvement costs to developers.
<b>Program C.2.5:</b>	The City will continue to monitor additional infrastructure needed for access to the Union Pacific Site.	Ongoing	The Midtown Specific Plan update will explore options for the site.
<b>C.3.1: Facilitate development of executive-luxury style housing to support the City's economic development strategy.</b>	The City will continue to work with builders developing high-rise buildings and with custom homebuilders to assist in the creation of additional executive-luxury style housing within the City.	Ongoing	In 2019, Lyon Homes applied for building permits for their 7-story, 355 for-sale luxury apartment, mixed-use development
<b>Program D.1.1: Seek out new funding sources to support the development and preservation of housing that is affordable to extremely low-, very low-, low-, and moderate-income households and housing for individuals with special housing needs.</b>	Advocate for policies and legislation at the state and federal level that increase funding available to support the development and preservation of housing that is affordable to ELI, VLI, LI and moderate income households.	Report annually, ongoing	The City did not advocate for any specific policies or legislation at the state or federal level in 2019. However, the Council was briefed on many important housing bills including Assembly Bill 1482 (The Tenant Protection Act) and several bills relating to streamlining the development of Accessory Dwelling Units.



<b>Program D.1.2:</b>	The City will continue to monitor federal, State, and other public and private funding sources that support the development and preservation of housing that is affordable to extremely low-, very low-, low-, and moderate-income households and submit applications for funding as appropriate.	Report annually, ongoing	In 2019, the Governor's budget included \$2.5B for housing and related infrastructure. Staff will continue to monitor how Milpitas can participate in forthcoming programs. In addition, the City applied for one-time SB2 planning grant funding to prepare for expedited plan review and to facilitate the construction of Accessory Dwelling Units (backyard cottages). The City continues to monitor federal appropriations that may impact Community Development Block Grant program funding for Milpitas.
<b>Program D.2.1: Facilitate the development of at least 565 new housing units affordable to moderate-income households, 570 units affordable to low-income households and 1,004 new housing units affordable to very low-income households.</b>	The City will continue to operate its Below-Market Rate Financing Program for new construction.	Report annually, ongoing	The City anticipates the construction of approximately 133 new extremely-low and very-low income units, 188 low-income units, and 20 moderate-income units in the next few years. These will be built as stand-alone affordable housing and as mixed-income housing in compliance with the City's on-site inclusionary ordinance.
<b>Program D.2.2:</b>	The City will continue to promote affordable units in residential projects. In conformance with Section XI-10-6.03 of the City's Zoning Ordinance, affordable housing requirements are negotiated on a project-by-project basis, aiming for a minimum percentage (20 percent) of units in all housing developments to be affordable to extremely low-, very low-, low-, and/or moderate-income households.	Report annually, ongoing	On June 19, 2018, the City of Milpitas passed Ordinance 297. The Ordinance created a 15% Inclusionary Housing requirement requiring any new project of 10 units or more to build at least 15% of the total units as affordable or pay a fee in lieu of building the units.
<b>Program D.2.3:</b>	The City will continue to provide density bonuses in accordance to the City's Density Bonus Ordinance.	Report annually, ongoing	The City is working with a number of developers to utilize the density bonus, including 308 Sango, 600 Barber lane, the Sunnyhills apartments and other developments being proposed.

<b>Program D.2.4:</b>	When possible, the City will continue to provide fee reductions, waivers, or financial assistance to cover the cost of fees for housing developments that provide units that are affordable to extremely low-, very low-, low-, or moderate-income households.	Report annually, ongoing	The City Council authorized the creation of a Pilot Rent Relief Program, which allocated \$100,000 in financial assistance to Milpitas residents and families that have emergency housing needs such as rent, deposit relief, emergency hardship, eviction prevention, domestic violence relocation, child homelessness relief, and Section 8 Good Faith Deposit assistance. To date, the program has assisted ten households with a total of 36 residents.
<b>Program D.2.5:</b>	When possible, the City will allow for deviations from development standards or provide other incentives to developers that agree to provide community benefits such as housing that is affordable extremely low-, very low-, low-, and/or moderate- income households.	Report annually, ongoing	In 2019, the City Council approved the development of 1005 N. Park Victoria Dr, a single family development, with 4 duet style units of affordable housing.
<b>Program D.3.1: Promote homeownership opportunities for low- and moderate-income households.</b>	The City will continue to provide assistance to first-time homebuyers to purchase below market rate units.	Report annually, ongoing	The City placed \$200,000 in the 2019-2020 budget for first-time homebuyer down payment assistance.
<b>Program D.4.1: Support the development of housing for individuals and households with special housing needs.</b>	The City will encourage affordable housing developers to include units for extremely low-income households in future developments and will provide its housing trust funds to help subsidize development costs to achieve affordability targeting to extremely low-households.	Report annually, ongoing	No activity to report in 2019.
<b>Program D.4.2:</b>	The City will continue to facilitate the development of emergency and transitional housing through financial and/or other incentives.	Report annually, ongoing	In 2019, the City Council Housing Subcommittee heard agenda items regarding the development of emergency and transitional housing. No immediate action was taken.

<b>Program D.4.3:</b>	The City will modify its Zoning Ordinance to allow transitional and supportive housing in all mixed-use zoning districts that allow residential uses, subject to the same requirements as other residential uses in the same zones.	Report annually, ongoing	Staff will be updating the Zoning Code in 2021-22, and will consider this option in the process.
<b>Program D.4.4:</b>	The City will continue to support emergency services and housing resources consistent with the City's ongoing commitment to and participation in the Santa Clara County Continuum of Care Plan.	Report annually, ongoing	No activity to report in 2019.
<b>Program D.4.6:</b>	Milpitas will require units that are accessible to individuals with disabilities in new housing developments.	Report annually, ongoing	Yes, Milpitas will continue to require accessible units in new housing developments as required by the governing laws such as those given in the response below, and any local requirements as stipulated by ordinance.
<b>Program D.4.7:</b>	Milpitas will continue to enforce Title 24 of the California Building Code and the Americans with Disabilities Act (ADA) when reviewing proposed development plans.	Report annually, ongoing	Milpitas will continue to enforce Chapter 11A HOUSING ACCESSIBILITY, Chapter 11B ACCESSIBILITY TO PUBLIC BUILDINGS, PUBLIC ACCOMODATIONS, COMMERCIAL BUILDINGS, AND PUBLIC HOUSING of the California Building Code, Title 24 Part 2, and other accessibility laws such as the Unruh Civil Rights Act for units that are subject to its requirements. Refer to Division I, Part 2, of the California Civil Code for additional information regarding application and interpretation.
<b>Program D.4.8</b>	The City will provide information on housing resources and suitable housing opportunities in Milpitas to individuals with disabilities.	Report annually, ongoing	On-going.

<b>Program D.4.9</b>	Working with the San Andreas Regional Center, Milpitas will implement an outreach program that informs residents on housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, updating the City's housing assistance resource web page to provide additional information on services, and providing housing-related training for individuals and families through workshops.	Report annually, ongoing	The City's Recreation and Community Services has continued to promote inclusive programming through its classes and programs with a more streamlined intake process with a single point of contact. Staff conducted a Families with Special Needs Focus group for feedback on current programs and ideas for new programming. RCS staff continue to work on offering programs that promote inclusiveness. Special Events now include quiet spaces and in some cases special adaptive sessions. Families with children with special needs are referred to San Andreas Regional Center if they are unaware of services for their family.
<b>Program D.4.10</b>	During project review, City staff shall encourage the inclusion of studio and four-bedroom units in new projects as feasible and provide financial and regulatory incentives when possible.	Report annually, ongoing	Staff worked with several developers, including 1380-1400 S Main Street, to allow for greater numbers of studio units in the City.
<b>Program D.5.10</b>	Consistent with the Midtown Specific Plan, the City will favorably consider applications for live-work units in zoning districts where live-work units are a permitted or conditionally-permitted use.	Report annually, ongoing	Staff will analyze the success of live-work units in the City, and explore options for the Midtown area during the update.
<b>Program D.5.2: Support alternative housing types such as live/work lofts and manufactured housing.</b>	The City will continue to permit manufactured housing in R1 zones subject to the same architectural requirements and development standards as other dwellings in the same zone.	Report annually, ongoing	Complete. Under current zoning, a single manufactured home may be permitted on lots zoned for single-family dwellings where it has been determined the lot and structure are compatible: 1. In districts where site plan and architectural review is not generally required for single-family dwellings, the site plan and architectural review process shall be utilized to initially determine if a lot and structure is compatible for a manufactured home. Compatibility of a lot and structure shall be determined by such factors as height, bulk and character of other structures in the neighborhood. If a lot and structure is determined to be compatible, site plan and architectural review is limited only to specifying roof overhang, roofing material and siding material based on the following standards.

<b>Program D.5.3:</b>	The City will modify the zoning ordinance to allow manufactured housing in all zoning districts where residential development is allowed, subject to the same 104 architectural requirements and development standards as other dwellings in the same zone.	Report annually, ongoing	Staff hasn't considered this option, but will explore when the Zoning Code is updated in 2021-22.
<b>Program D.6.1:</b>	The City will continue to encourage new residential developers to provide space for childcare facilities to promote the integration of this needed service in residential areas as they are developed.	Report annually, ongoing	This is an item staff can consider for both the TASP and Midtown Plan updates.
<b>E.1.1.</b>	The City will work with appropriate local, State, and federal agencies to ensure that fair housing laws are enforced.	Report annually, ongoing	In 2019, the City awarded Project Sentinel a total of \$10,000 in CDBG funds for Fair Housing assistance.
<b>Program E.1.2: Work to eliminate all unlawful discrimination in housing with respect to age, race, gender, sexual orientation, marital or familial status, ethnic background, medical condition, or other arbitrary factors, so that all residents can obtain decent housing throughout the City.</b>	The City will continue to implement its ordinances and policies prohibiting discrimination in housing practices.	Report annually, ongoing	In 2019, the City awarded Project Sentinel a \$50,000 contract to administer the Milpitas Rent Review Ordinance. The program helps tenants and landlords resolve rent increase disputes, prohibits discrimination based on a tenant's source of income, and prohibits landlord retaliation.
<b>Program E.1.3:</b>	The City will carry out necessary actions to address any impediments to fair housing choice identified in the City's HUD-mandated Analysis of Impediments to Fair Housing (AI).	Report annually, ongoing	No activity to report in 2019.
<b>Program E.1.4</b>	The City will continue to distribute information on fair housing laws through flyers, brochures, public service announcements, and other means.	Report annually, ongoing	In 2019, Project Sentinel hosted two quarterly educational workshops to distribute information about fair housing laws. The promotion for the workshops included social media announcements and flyer distribution.

<b>Program E.1.5</b>	The City will continue to fund an appropriate agency, such as Project Sentinel, to advocate for Milpitas households that may have experienced unfair or illegal housing practices.	Report annually, ongoing	In 2019, the City awarded Project Sentinel a total of \$10,000 in CDBG funds for Fair Housing assistance as well as an additional \$40,000 for tenant-landlord services, drop-in clinics, and workshops. An additional \$50,000 contract was awarded to Project Sentinel to administer the Milpitas Rent Review Ordinance.
<b>Program F.1.1:</b>	The City will continue to partner with local utility providers to promote participation of Milpitas' low-income residents in available energy efficiency programs, such as PG&E's Energy Partners Program.	Report annually, ongoing	The City of Milpitas implemented it's first Milpitas Assistance Program (MAP) which provides subsidy of Recreation and Community Services programs, water utilities bill discounts, and free permits from Building Safety and Neighborhood Services for water heater, central heat and central air improvements.
<b>Program F.1.2: Promote energy efficiency in new and existing residential development.</b>	The City will continue to promote use of passive solar devices and promote energy audits of existing homes.	Report annually, ongoing	This has been addressed in the recently adopted 2019 California Energy and Green Building Standards (CalGreen) Codes.
<b>Program F.1.3:</b>	Milpitas will continue to implement the City's Green Building Ordinance	Report annually, ongoing	The Milpitas Municipal Code Chapter 20, Green Building Regulations, was adopted on June 16, 2009 and revised November 19, 2013. It continues to provide requirements related to sustainability in building construction.
<b>Program F.1.4:</b>	The City will continue to encourage the incorporation of energy- and water-saving principles in the design and planning of new residential developments, including features such as solar orientation and the use of recycled water.	Report annually, ongoing	The Milpitas Municipal Code Chapter 20 Green Building Regulations are designed to achieve the following goals: 1.) increase energy efficiency; 2.) encourage water and resource conservation; 3.) reduce waste generated by construction products, and 4.) promote the health of residents, workers and visitors to the City.
<b>Program F.1.5:</b>	The City will continue to encourage mixed-use and transit-oriented development at transit nodes.	Report annually, ongoing	The TASP and Midtown updates will continue to support mixed-uses and TOD at nodes.
<b>Program F.1.6:</b>	In accordance with the Green Building Policy Resolution adopted in February 2008, the City will continue to require that planning applications for new buildings include a completed LEED checklist.	Report annually, ongoing	Staff has not considered this option, but will explore during the Zoning Code update in 2021-22.

<b>Jurisdiction</b>	Milpitas	
<b>Reporting Period</b>	2019	(Jan. 1 - Dec. 31)

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

[illegible]

Jurisdiction	Milpitas	
Reporting Period	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation  
(CCR Title 25 §6202)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

Table F									
Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)									
This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).									
Activity Type	Units that Do Not Count Towards RHNA <sup>+</sup> Listed for Informational Purposes Only				Units that Count Towards RHNA <sup>+</sup> Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 <sup>+</sup>
	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units			50	50					
Total Units by Income			50	50					



Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

[illegible]

Jurisdiction	Milpitas	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		141
Total Units		141

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	23
Number of Proposed Units in All Applications Received:	94
Total Housing Units Approved:	94
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

# **HOUSING SUCCESSOR ANNUAL REPORT**

April 1, 2020

LOW AND MODERATE INCOME HOUSING ASSET FUND  
FOR FISCAL YEAR 2018-19  
PURSUANT TO  
CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)  
FOR THE  
MILPITAS HOUSING AUTHORITY

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## INTRODUCTION

This Housing Successor Annual Report ("Report") addresses the requirements of California Health and Safety Code Section 34176.1(f) regarding the Low and Moderate Income Housing Asset Fund ("LMIHAF"). This Report outlines the financial and housing covenant details of the Milpitas Housing Authority ("Housing Successor") for 2018-19 (the "Fiscal Year"). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 ("Dissolution Law").

This report includes discussion on the deposits to, ending balance of, and expenditures from the LMIHAF. A description of the Housing Successor's assets, and any transfers of assets to other housing successor agencies are addressed as well. The report also discusses the Housing Successor's current projects, acquisitions of any real property since February 1, 2012, or any outstanding obligations. Finally, as required by law, three separate test are discussed – the income test, senior housing test, and excess surplus test.

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund, formerly the Milpitas Housing Fund, now the Milpitas Housing Authority Special Revenue Fund included in the Comprehensive Annual Financial Report (CAFR) of the City of Milpitas for Fiscal Year 2018-2019 as independently audited by Maze & Associates, Certified Public Accountants. The financial audit is separate from this annual summary report. Further, this Report conforms with Sections I. through XI., of Section 34176.1(f) of the Dissolution Law.

In addition this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the City's website. (<http://www.ci.milpitas.ca.gov>)

## I. AMOUNT DEPOSITED INTO LMIHAF

This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule ("ROPS") must be distinguished from the other amounts deposited.

Revenues (amount deposit to the LMIHAF):	
Loan repayments	\$131,611
Rental/lease income	\$144,542
Interest income	\$874,523
Total:	\$1,150,677

A total of \$1,150,677 was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of \$0 was held for items listed on the ROPS.

## II. ENDING BALANCE OF LMIHAF

This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$39,300,871, of which \$0 is held for items listed on the ROPS.

### III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized. There was a total of \$2,254,891 expended from the LMIHAF, divided into the following categories:

TABLE 1: DESCRIPTION OF LMIHAF EXPENDITURES

Description of Expenditures	Total Expenditures
Maintenance, Monitoring and Administration Expenditures	\$341,995
Homeless Prevention and Rapid Rehousing Services Expenditures	\$56,075
Housing Development Expenditures (Total of Next Three Lines)	\$1,856,821
<i>Expenditures on Low Income Units</i>	\$0
<i>Expenditures on Very Low Income Units</i>	\$1,856,821
<i>Expenditures on Extremely Low Income Units</i>	\$0
<b>Total LMIHAF Expenditures in Fiscal Year</b>	<b>\$2,254,891</b>

### IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

TABLE 2: STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Asset Type	Statutory Value of Assets
Loans Receivable	\$28,684,909
Land held for resale	\$2,333,018
<b>Total Value of Real Property and Loans Receivable</b>	<b>\$31,017,927</b>

### V. DESCRIPTION OF TRANSFERS

This section describes transfers, if any, to another housing successor agency made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

The Housing Successor did not make any LMIHAF transfers to other housing successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

### VI. PROJECT DESCRIPTIONS

This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS during the Fiscal Year.

## VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time period described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF (August 31, 2012); thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date of the DOF approved such property as a housing asset.

The following provides a status update on the real property or properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period:

TABLE 3: SECTION 33334.16 COMPLIANCE

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
1504, 1556, 1620 South Main Street Property (APN 086-22-027,028,033,034,041,042)	11/1/2009	8/31/2022	APN 086-22-033,034,041,042 sold to Milpitas Phase I, LP on April 11, 2018 for the Senior Lifestyles Development with 48 extremely-low income units in phase I and 2 combined.
1432-1440 S. Main St. (APN 086-22-031)	2/28/2011	8/31/2022	Site is zoned for future housing in the Midtown Specific Plan Area. Staff is initiating a possible housing development proposal in partnership with Santa Clara County.
340 Celebration Dr. (APN 086-49-046)	7/10/2009	8/31/2022	Sold
254 Parc Place Dr. (APN 086-54-052)	1/27/2011	8/31/2022	This is a rental unit for very low and low-income households with the option to purchase. Staff is working with occupants to purchase unit.
1101 S. Main St. #313	5/20/2011	8/31/2022	Sold

(APN 086-67-078)			
600 S. Abel St. #208	5/24/2011	8/31/2022	This is a rental unit for very low and low-income households with the option to purchase. Staff is working with occupants to purchase unit.
(APN 086-61-177)			

Health and Safety Code Section 33334.16 required former redevelopment agencies to initiate activities, such as zone changes or disposition and development agreements within five years of acquiring a property.

The following provides a status update on the project(s) for property or properties that have been acquired by the Housing Successor using LMIHAF on or after February 1, 2012.

The Housing Successor did not acquire property on or after February 1, 2012.

## VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS UNDER SECTION 33413.

This section describes the outstanding inclusionary housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor plans to meet unmet obligations, if any.

The housing successor does not have any obligations to fulfill under Section 33413.

## IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(A) requires that the Housing Successor must require at least 30% of the LMIHAF (excluding funds used for maintenance, monitoring and administrative expenses, and homeless prevention/rapid rehousing services) to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely-Low Income (ELI) requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds expended from the LMIHAF in each subsequent fiscal year be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement.

Fiscal Year Ending 2015-2019	Total Expenditures	Expended on ELI	Percent Expended
2019	\$1,856,821	\$0	0%
2018	\$12,443,480	\$12,443,480	100%
2017	\$71,277	\$0	0%
2016	\$81,528	\$0	0%
2015	\$50,600	\$50,600	100%
<b>Total</b>	<b>\$14,503,706</b>	<b>\$12,494,080</b>	<b>86.14%</b>



The City of Milpitas incorrectly allocated \$12,443,480 as Very-Low Income expenditures for fiscal year ending 2018. These funds should have been expended for Extremely-Low Income as they were expended to produce 48 ELI units. Thus, the City has satisfied the Extremely-Low Income test by expending 86.14% of the LMIHAF over the past five fiscal years. The next five-year Extremely Low Income test is not required to be reported until the 2024 Annual Report.

## X. SENIOR HOUSING TEST

This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former Redevelopment Agency, and the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former Redevelopment Agency and the City within the same time period. For this Report the ten-year period reviewed is January 1, 2009 to January 1, 2019.

If the percentage of assisted senior rental housing is more than 50 percent of the total of all assisted rental housing, no additional senior rental housing can be assisted until the percentage falls to 50 percent or less.

TABLE 4: SENIOR HOUSING TEST

Unit Category	# of Units
Assisted Senior Rental Units	5
Total Assisted Rental Units	197
<b>Senior Housing Test (%)</b>	<b>2.5%</b>

## XI. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater. The housing successor is required to spend the excess surplus amount or transfer that amount to another jurisdiction as provided in Health and Safety Code Section 34176.1(c)(2) within three fiscal years. If not, the excess surplus amount must be transferred to HCD to use pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

The following provides the Excess Surplus test for the 2019 fiscal year:

<b>Test for fiscal year ending June 30, 2019</b>	
Opening fund balance of prior year	\$40,536,697
Less: Unavailable Funds:	
Loan Receivable	(\$30,059,809)
Land Held for Resale	(\$3,048,003)
Sango Court Loan Encumbered	(\$6,500,000)
<b>Unencumbered Fund Balance</b>	<b>\$928,885</b>
Limitation (greater of \$1,000,000 or four years deposits).	
Aggregate amount deposited for the last four years:	
2017-2018	\$886,290
2016-2017	\$907,029
2015-2016	\$961,316
2014-2015	\$962,460
2013-2014	
2012-2013	
<b>Total Amount Deposited</b>	<b>\$3,717,095</b>
<b>Excess Surplus</b>	<b>None</b>

**18. Receive Report on the Pilot Rent Relief Program, Approve Budget Amendment, and Authorize the City Manager to Execute an Amendment to the Professional Services Agreement with Silicon Valley Independent Living Center (Staff Contact: Sharon Goei, 408-586-3260)**

Recommendations:

- (1) Receive report on the Pilot Rent Relief Program.
- (2) Approve a budget amendment to appropriate an additional \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to fund the Pilot Rent Relief Program.
- (3) Authorize the City Manager to prepare and execute an amendment to the one-year Professional Services Agreement with Silicon Valley Independent Living Center to include the additional \$100,000 for the management of the Pilot Rent Relief Program.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Receive Report on the Pilot Rent Relief Program, Approve Budget Amendment, and Authorize the City Manager to Execute an Amendment to the Professional Services Agreement with Silicon Valley Independent Living Center</b>
<b>Category:</b>	Community Development
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. Receive report on the Pilot Rent Relief Program.</li><li>2. Approve a budget amendment to appropriate an additional \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to fund the Pilot Rent Relief Program.</li><li>3. Authorize the City Manager to prepare and execute an amendment to the one-year Professional Services Agreement with Silicon Valley Independent Living Center to include the additional \$100,000 for the management of the Pilot Rent Relief Program.</li></ol>

### **Background:**

On August 6, 2019, the Housing Subcommittee met to consider the creation of a Pilot Rent Relief program that would provide various forms of financial assistance to Milpitas residents and families that have emergency housing needs. The Housing Subcommittee directed staff to agendize this item at a future City Council meeting with the recommendation to budget \$100,000 for the one-year Pilot Rent Relief Program.

On October 15, 2019, the City Council authorized the creation of a Pilot Rent Relief Program, which allocated \$100,000 in financial assistance to Milpitas residents and families that have emergency housing needs. The Silicon Valley Independent Living Center was selected to administer the program on behalf of the City.

On February 25, 2020, staff presented an update to the City Council Housing Subcommittee on the Pilot Rent Relief Program. The Subcommittee recommended an amendment to appropriate an additional \$100,000.

### **Analysis:**

In November 2019, the Pilot Rent Relief Program began accepting referrals and applications for rent relief.

Eligible recipients include the following:

- Low-to-moderate income individuals and families with dependent children under age 18;
- Seniors who are age 55 and older;
- Disabled individuals;
- Victims of domestic violence;
- Emancipated foster youth; and
- Section 8, Below Market Rate Rentals and other housing opportunities providing a subsidy.

The eligible recipient must be able to demonstrate that they are a resident of Milpitas, defined as an individual or family that has resided in Milpitas for at least six months. However, depending on the assistance provided, and at staff's discretion, an eligible recipient may be able to receive assistance with a residency requirement as early as three months. Exceptions may also be considered for emergency situations.

### Types of Available Assistance

The Pilot Rent Relief Program provides eligible recipients with funding for the following:

- **Rent/Deposit Relief:** Eligible recipients applying for housing may request first month's rent and deposit assistance to help secure housing.
- **Emergency Hardship Relief:** Eligible recipients may apply for a one time, emergency relief after an unforeseen hardship.
- **Eviction Prevention:** Eligible recipients may apply for eviction prevention relief if they have received a three-day notice to pay or quit or are substantially behind on rent.
- **Domestic Violence Relocation:** Victims of domestic violence may apply for emergency relocation relief. Eligible recipients apply via referral from a known domestic violence referral partner.
- **Child & Family Homelessness Relief:** Foster children or homeless families with school age children experiencing temporary homelessness may apply for emergency housing relief to obtain temporary, secure housing (motel, hotel, etc.). Families may then use rent/deposit relief to move into more permanent housing. Eligible recipients apply via referral from a known referral partner.
- **Section 8 Good Faith Deposits:** Eligible recipients experiencing processing delays with the Santa Clara County Housing Authority may apply for a one-time, good faith deposit to bridge the financial gap between securing a place to live and when the Housing Authority's rent payment begins.

The maximum amount of relief is \$5,000, annually per household. However, foster children, homeless families with school age children, and victims of domestic violence are not subject to this maximum amount. The amount of relief approved is determined on a case-by-case basis. Relief is provided in the form of grants paid directly to the housing provider or landlord.

As of February 21, 2020, the Pilot Rent Relief Program has allocated \$44,607.68 and has assisted ten households with a total of 36 Milpitas residents.

Recipient	Eligible Recipient Category	Assistance	Total Residents Assisted
Recipient #1	Senior	Deposit Relief	2
Recipient #2	Domestic Violence, Low to Moderate Income with Children under 18	Deposit Relief, Domestic Violence Relocation	4
Recipient #3	Senior	Emergency Hardship Relief	2
Recipient #4	Low to Moderate Income with Children under 18	Child & Family Homelessness Relief	5
Recipient #5	Senior	Rent Relief, Emergency Hardship Relief	2
Recipient #6	Senior	Emergency Hardship Relief	3
Recipient #7	Low to Moderate Income, Subsidized Units	Child & Family Homelessness Relief	4
Recipient #8	Low Income	Rent Relief	7
Recipient #9	Low to Moderate Income with Children Under 18, Domestic Violence, Subsidized Units	Rent Relief, Eviction Prevention	4
Recipient #10	Low to Moderate Income	Child & Family Homelessness Relief	3

## **Types of Available Assistance**

This following summarizes the rent relief provided under each category.

### **Rent/Deposit Relief**

Six of the ten approved relief recipients have been for deposit assistance to obtain housing or rent assistance to remain housed. To date, rent/deposit assistance was requested by eligible recipients in four categories: low to moderate-income households with children under 18; seniors; victims of domestic violence; and persons living in subsidized housing, with one applicant qualifying under three different categories themselves. This highlights the overlapping nature of these eligible recipient categories and how many applicants may not fit into a single group.

The City's first recipient, who was referred by Project Sentinel after attending a drop-in clinic at City Hall, was evicted from her home of 20+ years after her landlord decided to sell his property. She received deposit assistance when she secured another unit. Another recipient needed rental assistance after the family income dropped dramatically. The family was able to stay housed despite receiving a three-day notice to pay or quit. After providing rent relief to cure the past due balance, rent relief was provided to assist with a portion of the following month's rent to make the full payment.

### **Emergency Hardship Relief**

Three recipients, all seniors, were approved for emergency hardship relief due to the struggle to pay their utilities and housing payments. Staff referred each applicant who requests assistance with utilities to the Milpitas Assistance Program; however, two of the three applicants were in danger of having non-City controlled utilities shut off. In these – and many seniors' – cases, they have medications that require refrigeration. Rent relief assisted with their housing payments so these eligible recipients could pay down their utility bills to prevent them from being shut off.

### **Eviction Prevention**

Two recipients were at risk of eviction. One of the applicants is a family with an on-going domestic violence case against an abusive spouse. As the single income producer, mom worked two jobs to make her affordable housing rental payment. After the most recent domestic violence incident, she was forced to leave her second job and her income dropped dramatically. Rent relief was able to pay her past due balance, halting the eviction process, and paid the following month as well.

### **Domestic Violence Relocation**

Rent relief has successfully relocated one victim of domestic violence with three children who attend Milpitas schools. This recipient was referred by the Milpitas Unified School District (MUSD) and City staff immediately connected the family with our partners at Next Door Solutions to Domestic Violence, who coordinate services for our residents experiencing domestic violence.

The City encountered another domestic violence case, which was highlighted under the eviction prevention section. This recipient's situation is complex in that it is difficult to find another affordable unit at the income level the tenant is currently renting at to relocate them. Staff has been in contact with her and the property management team to identify a solution.

### **Child & Family Homelessness Relief**

Three of the eligible recipients with a total of nine children have been assisted under this category, preventing homelessness or temporarily providing accommodations in-lieu of living in their cars. All three families were provided 30-day hotel stays to allow each family time for City staff, SVILC, and MUSD to provide resources to the families. At present, one of the families was referred to and placed at Family Supportive Housing, a 90-day family homeless shelter. The other two families are under their 30-day hotel stay. Staff is working with our partners to coordinate services for them.

At the time of preparing this staff report, 400+ families at the school district are enrolled in the McKinney Vento program. Our staff expectation is that, if the Pilot Rent Relief Program is to continue, that the percentage of assistance provided under this category will increase. City communicates weekly with the McKinney Vento

coordinator at the MUSD and the City of Milpitas' Police Department (PD) Homeless Outreach team to continue to be a resource to these partners as they encounter families in need of housing assistance.

### Section 8 Good Faith Deposits

During our Tenant Protection Task Force meetings in early 2019, the landlord representatives conveyed the issues they've experienced with the length of time it takes to house a Section 8 voucher client. A landlord would lose a minimum of one month rent due to the lengthy processing time required to house a Section 8 voucher client. This category aimed to cure this issue by providing rental assistance to the landlord for one month of rent in exchange for holding the unit for the Section 8 voucher holder to be approved for the unit.

To date, SVILC has received no applications for tenants applying under this category.

### Outreach and Referrals

- Individuals may reach out to SVILC directly or be referred to the program by a case manager, partnering social services agency, or by the MUSD. Staff received three referrals from MUSD, two from Milpitas PD, three from the Barbara Lee Senior Center, one from Project Sentinel, and one directly from City staff.
- In addition to receiving rent relief funds, eight individuals were connected to other forms of financial relief such as Cal Fresh and SSDI by SVILC staff.
- Staff worked closely with MUSD, Next Door, PD, Senior Center, and Project Sentinel to develop a streamlined referral process and conducted the following outreach to spread awareness of the Pilot Rent Relief Program:
  - Staff presentation at the MUSD Community Collaborative;
  - Staff presentation during several workshops at City Hall; and
  - Social Media posts announcing the program.

### Conclusions

The feedback from the applicants and experienced service providers indicates that the program has operated consistently with the program expectations. Residents are not only receiving expedited rental assistance but SVILC has provided referrals to other service providers who are able to assist with the myriad of issues our residents may be experiencing.

The Pilot Rent Relief Program has utilized half of its funding in the first four months. Due to the broad nature of the rent relief requests, staff believes the rent relief requests will increase as knowledge of the program spreads. Further funding may be necessary in order to operate the program through the conclusion of its one-year term.

On February 25, 2020, the City Council Housing Subcommittee received a report of the program and directed staff to request an additional appropriation of \$100,000 for the Pilot Rent Relief Program. Additionally, the Subcommittee directed staff to broaden the types of eligible assistance offered to potential recipients to include items which were not specifically delineated in the program details, but which will greatly benefit the well-being of the recipients. Staff will return to the Subcommittee to further discuss these broader items as they are developed.

### Policy Alternative:

Not applicable.

### Fiscal Impact:

The City Council approved \$100,000 in program funding on October 15, 2019. As of February 21, 2020, the Pilot Rent Relief Program has allocated \$44,607.68 and has assisted ten households with a total of 36 Milpitas residents, which leaves just over \$55,000 remaining for future approved requests. If the City Council approves recommendation #2, as recommended by the Housing Subcommittee, the fiscal impact would be a \$100,000 reduction to the Affordable Housing Fund Ending Fund Balance.

**California Environmental Quality Act:**

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

**Recommendations:**

1. Receive report on the Pilot Rent Relief Program.
2. Approve a budget amendment to appropriate an additional \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to fund the Pilot Rent Relief Program.
3. Authorize the City Manager to prepare and execute an amendment to the one-year Professional Services Agreement with Silicon Valley Independent Living Center to include the additional \$100,000 for the management of the Pilot Rent Relief Program.

**Attachment:**

Budget Change Form



**BUDGET CHANGE FORM**

Type of Change	From*		To*	
	Account	Amount	Account	Amount
<b>Check one:</b>  <input checked="" type="checkbox"/> <b>Budget Appropriation</b>  <input type="checkbox"/> <b>Budget Transfer</b>	216-2909	\$100,000	216-5364237	\$100,000

Receive Report on the Pilot Rent Relief Program, Approve Budget Amendment, and Authorize the Interim City Manager to Execute an Amendment to the Professional Services Agreement with Silicon Valley Independent Living Center.

**Background:**

On May 7, 2019, the City Council approved the establishment of a new City Council Housing Subcommittee. Councilmembers Montano and Nuñez were appointed to serve on this newly formed subcommittee.

On August 6, 2019, the Housing Subcommittee met to consider the creation of a Pilot Rent Relief program that would provide various forms of financial assistance to Milpitas residents and families that have emergency housing needs. The Housing Subcommittee directed staff to agendaize this item at a future City Council meeting with the recommendation to budget \$100,000 for the one-year Pilot Rent Relief Program.

On October 15, 2019, the City Council authorized the creation of a Pilot Rent Relief Program, which allocated \$100,000 in financial assistance to Milpitas residents and families that have emergency housing needs. The Silicon Valley Independent Living Center was selected to administer the program on behalf of the City.

**Analysis: Analysis:**

In November 2019, the Pilot Rent Relief Program began accepting referrals and applications for rent relief.

Eligible recipients include the following:

- Low-to-moderate income individuals and families with dependent children under age 18
- Seniors who are age 55 and older
- Disabled individuals
- Victims of domestic violence
- Emancipated foster youth
- Section 8, Below Market Rate Rentals and other housing opportunities providing a subsidy

The eligible recipient must be able to demonstrate that they are a resident of Milpitas. For the purpose of this program, a resident of Milpitas is defined as an individual or family that has resided in Milpitas for at least six months. However, depending on the assistance provided, and at staff's discretion, an eligible recipient may be able to receive assistance with a residency requirement as early as three months. Exceptions may also be considered for emergency situations.

**Conclusions**

The feedback from the applicants and experienced service providers indicates that the program has operated consistently with the program expectations. Residents are not only receiving expedited rental assistance but SVILC has provided referrals to other service providers who are able to assist with the myriad of issues our residents may be experiencing.

The Pilot Rent Relief Program has utilized half of its funding in the first 3+ months. Due to the broad nature of the rent relief requests, staff believes the rent relief requests will continue to increase as knowledge of the program spreads. Further funding may be necessary in order to operate the program through the conclusion of its one-year term.

On February 25, 2020, the City Council Housing Subcommittee received a report of the program and directed staff request an additional appropriation of \$100,000 for the Pilot Rent Relief Program. Additionally, the Subcommittee directed staff to broaden the types of eligible assistance offered to potential recipients to include items which were not specifically delineated in the program details, but which will greatly benefit the well-being of the recipients, and allow these items to be approved with staff discretion. Staff will return to the Subcommittee and/or City Council as needed as these broader items are developed.

**Policy Alternative:**

1. Not applicable.

**Fiscal Impact:**

The City Council approved \$100,000 in program funding on October 15, 2019. As of February 21, 2020, the Pilot Rent Relief Program has allocated \$44,607.68 and has assisted 10 households with a total of 36 Milpitas residents, which leaves just over \$55,000 remaining for future approved requests. If the City Council approves recommendation #2 as recommended by the Housing Subcommittee, the fiscal impact would be a \$100,000 reduction to the Affordable Housing Fund Ending Fund Balance.

**California Environmental Quality Act:**

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

**Recommendation:**

1. Receive report on the Pilot Rent Relief Program.
2. Approve a budget amendment to appropriate an additional \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to fund the Pilot Rent Relief Program.
3. Authorize the Interim City Manager to prepare and execute an amendment to the one-year Professional Services Agreement with Silicon Valley Independent Living Center to include the additional \$100,000 for the management of the Pilot Rent Relief Program.

**Attachments:**

Budget Change Form

☒ Check if City Council Approval required.

Meeting Date: March 03, 2020

<b>Requested by:</b>	<b>Department Head:</b> Sharon Goei	<b>Date:</b> March 03, 2020
<b>Reviewed by:</b>	<b>Finance Director:</b> Walter C. Rossmann	<b>Date:</b> March 03, 2020
<b>Date approved by City Council, if required:</b>		<b>Confirmed by:</b>

19. **Approve and Authorize the City Manager to Execute a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed Amount of \$8,419,055.76 over five-years, subject to annual appropriation of funds (Staff Contacts: Tony Ndah, 408-586-2602 and Chris Schroeder, 408-586-3161)**

Recommendation: Approve and authorize the City Manager to execute a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed amount of \$8,419,055.76 over the five-year contract period, subject to annual appropriation of funds.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Approve and Authorize the City Manager to Execute a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed Amount of \$8,419,055.76 over five-years, subject to annual appropriation of funds</b>
<b>Category:</b>	Community Services and Sustainable Infrastructure
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contacts:</b>	<b>Tony Ndah, Public Works Director, 408-586-2602</b> <b>Chris Schroeder, Purchasing Agent, 408-586-3161</b>
<b>Recommendation:</b>	Approve and authorize the City Manager to execute a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed amount of \$8,419,055.76 over the five-year contract period, subject to annual appropriation of funds.

### **Background**

The City of Milpitas' Public Works Department is responsible for the maintenance of all City parks, and landscaped medians and open space within the City's rights of way. Based on the available staffing, and the demands of maintaining the City's landscaped areas, contract services have been used to augment and assist staff with the maintenance duties of the City's parks.

On October 17, 2017, City Council approved an agreement with BrightView Landscape Service, Inc. for the weekly maintenance service at 26 City parks pursuant to Request for Proposal (RFP) No. 2210 – Parks Maintenance Services. The approved contract included an initial one-year period in the amount of \$1,241,776, from November 1, 2017 through October 31, 2018. The approved contract also included four 1-year options for renewal; two of which have been executed by the City and Brightview. The renewal years contain a compensation adjustment clause based on the Consumer Price Index (CPI) or 5%, whichever is less. The four annual renewal options total an amount not to exceed \$4,967,104 resulting in a total not-to-exceed five-year contract of \$6,208,880, excluding CPI compensation adjustments. City staff currently provide weekly maintenance services for 10 parks in the City that were not included in the initial scope of RFP No. 2210.

As part of the service enhancements from the FY 2019/20 budget, Council approved the addition of funds in the Public Works Operating budget to enter into a contract for park maintenance services for the remaining 10 City parks that are currently being maintained by City staff, in order to free up existing City staff to focus on weed abatement and landscape maintenance. The proposed contract provides the City with maintenance services for all City parks and free up approximately 3 full-time equivalent staff for Citywide weed abatement and landscape maintenance services.

### **Analysis**

The City park system consists of 36 parks, with plans to add at least 3 additional parks to the system in the coming years. Weekly maintenance on 26 of the City parks is currently performed by BrightView and Public Works staff maintain the remaining 10 city parks, along with performing weed abatement and landscape maintenance throughout the City. In addition to the park maintenance, staff are also responsible to opening and closing the restrooms at all 36 City parks each day of the week.

Weed abatement on the City right-of-way continues to be a major concern for residents, and staff efforts maintain the 10 city parks, as well as maintain the City's street landscape and control weeds in the right-of-way has resulted in lower levels of service. As part of the service enhancements from the FY 2019/20 budget, Council approved the addition of funds in the Public Works Operating budget to enter into a contract for park maintenance services for the remaining 10 City parks that are currently being maintained by City staff. The approved funding frees up approximately 3 full-time equivalent staff to focus on weed abatement and landscape maintenance throughout the City.

Staff drafted RFP No. 2402 to solicit proposals from contractors and the RFP included options to provide proposals for maintenance on (1) all 36 City parks and (2) on the 10 parks currently serviced by City staff. Additionally, RFP 2402 included a cost matrix which allowed contractors to provide pricing for future parks as they come on line due to the City's continued actions to increase its greenspace for its residents.

On December 20, 2019, the Purchasing Division released RFP No. 2402 seeking proposals from qualified vendors with demonstrated experience in providing large-scale parks maintenance and landscaping services to municipal clients throughout the Bay Area.

The RFP was publicly noticed in accordance with the City's Municipal Code, advertised on the City's website, emailed to companies registered with the City via ProcureNow.com (the City's eProcurement system) and a bid notice posted to PublicPurchase.com as well. Additionally, the RFP was published on the City website.

Upon release, 129 firms received the solicitation notification and 15 firms downloaded the RFP documents. The Purchasing Division received four (4) proposals by 2:00 pm on the July 26, 2019 deadline in response to the RFP. All four proposals were reviewed for completeness, were accepted and continued in the evaluation process.

The four (4) companies that continued in the evaluation process were:

1. BrightView Landscape Services
2. Joe's Landscaping
3. Terracare
4. Mike Davis Landscaping

The evaluation committee reviewed proposals based on the following criteria:

1. Cover Letter
2. Company Profile
3. Personnel Assigned
4. Execution Plan
5. References, and
6. Proposed Compensation

After an initial evaluation by four City staff members who comprised the evaluation committee, the two highest ranked firms (Terracare and BrightView) were invited to and attended an interview to gather further information regarding their proposals and offer the evaluation committee the opportunity to ask clarifying questions before forwarding a recommendation for award to the City Council. Interviews were held at the Public Works Department on January 29, 2020. The table below shows the final evaluation scores with the recommended firm highlighted in green:

Citywide Parks Maintenance <b>RFP No. 2402</b>	<b>Brightview</b>	Terracare
Final Evaluation Score	<b>82.13</b>	77.88

The proposed contract provides the City with park maintenance services for all 36 City parks which includes mowing and edging, weed control, park landscape maintenance, removal debris and trash, playground inspection and repairs, athletic field maintenance, and park cleaning. The new contract maintains the same level of service the City currently receives on the 26 City parks currently under contract and includes

requirements for the contractor to provide resources for cleaning, stocking, opening and closing all park restrooms. Maintenance at all City parks would be completed at the frequency in the table below and the City's standard contract includes terms for liquidated damages in the event the contractor fails to meet the performance requirements of the park maintenance agreement.

Maintenance Duty	Frequency
Mowing and edging	weekly
Weed control	twice annually and as needed
Mechanical weed control	as needed
Pruning shrubs and ground cover	Twice annually and as needed
Fertilizing and Aeration	2 to 4 times annually depending on the park or athletic field
Empty trash cans	twice weekly and as needed
Remove trash & misc. debris from landscape	weekly and as needed
Inspect, adjust and repair irrigation system	weekly and as needed
Restroom service: opening, closing cleaning, repair and restocking	daily
Playground inspection reports per U.S. CPSC requirements	weekly
Playground inspection	weekly and as needed
Athletic field maintenance	daily/weekly
Parking lot cleaning	weekly and as needed
Vandalism reports	as needed
Graffiti Maintenance	as needed
Herbicide application	seasonally
Clean and repair drinking fountains	as needed
General Park Maintenance	as needed
Tennis and basketball court cleaning	weekly
Dog park	twice weekly

**Policy Alternative:**

**Alternative:** Do not approve staff recommendation to award the contract to BrightView Landscape Services as the highest ranked vendor for Citywide Parks Maintenance and do not award the contract for parks maintenance services.

**Pros:** The City would not spend the additional funds for park maintenance services on 10 City parks.

**Cons:** Existing staff levels would not be capable of providing the level of service needed to maintain the 10 City parks, as well as provide weed abatement and landscape maintenance in the City right-of-way.

**Reason not recommended:** The City does not have the staff levels necessary to provide the level of service needed to maintain the 10 City parks, as well as provide weed abatement and landscape maintenance in the City right-of-way. The proposed contract allows for approximately 3 FTE to focus on weed abatement and landscape maintenance. In addition, the proposed contract allows for uniformity in the service levels on all City parks since all parks would be maintained by the same contractor.

**Fiscal Impact:**

The annual contract amount for the first year of the contract is \$1,601,698.93 with a proposed contract start date of March 30, 2019. Therefore, for the remaining three months of fiscal year 2019-20, the contract will be funded in the amount of \$400,425 from the FY 2019-20 operations budget of the Public Works Department. The contractual costs for FY 2020-21 will be incorporated in the FY 2020-21 Proposed Budget. Cost of the remaining years of the Contract would be subject to a 2.5% annual rate increase. Funds for the remaining years on this agreement will be subject to the annual appropriation of funds.

**California Environmental Quality Act:**

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a “project” for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Approve a five-year agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance Services, for an amount of \$1,601,698.93 in the first year and a total amount not to exceed \$8,419,055.76 over the five-year period, subject to annual appropriation of funds.

**Attachment:**

Maintenance Service Agreement with BrightView Landscape Services Inc. for Citywide Parks Maintenance

## CITY OF MILPITAS MAINTENANCE SERVICES AGREEMENT

### 1. PARTIES AND DATE.

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between the City of Milpitas, a municipal corporation organized under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City") and BrightView Landscape Services, Inc. , a California corporation, with its principal place of business at 980 Jolly Road, Suite 300, Blue Bell, PA 19422 ("Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

### 2. RECITALS.

#### 2.1 Contractor.

Contractor desires to perform and assume responsibility for the provision of certain maintenance services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing Citywide Parks Maintenance services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of City. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

#### 2.2 Project.

City desires to engage Contractor to render such services for the Citywide Parks Maintenance project ("Project") as set forth in this Agreement.

### 3. TERMS.

#### 3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional Citywide Parks Maintenance services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

#### 3.1.2 Term.

The term of this Agreement shall be from **March 30, 2020** to **March 29, 2025**, unless earlier terminated as provided herein. The City reserves the right to review the Contractor's performance at the end of each year and cancel all or part of the Agreement.



### 3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, City shall respond to Contractor's submittals in a timely manner. Upon request of City, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.

3.2.4 City's Representative. The City hereby designates Director of Public Works, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates **Brett Urban, Chief Financial Officer**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally,

Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project. Contractor shall not be liable for any losses resulting from the provision of Services hereunder if such losses are due to causes or conditions beyond Contractor's reasonable control, including but not limited to losses in any way related to or associated with state or local water regulations or mandates or Contractor's compliance or good faith efforts to comply with state or local water regulations or mandates.

**3.2.8 Period of Performance and Liquidated Damages.** Contractor shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be provided separately in writing to the Contractor. Contractor agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages, and not as a penalty, the sum of One Hundred Dollars and Zero Cents (\$100.00)) per day for each and every calendar day of delay beyond the Performance Time or beyond any completion schedule or Project milestones established pursuant to this Agreement.

**3.2.9 Disputes.** Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Agreement, Contractor shall continue to perform the Work while said dispute is decided by the City. If Contractor disputes the City's decision, Contractor shall have such remedies as may be provided by law.

**3.2.10 Laws and Regulations; Employee/Labor Certifications.** Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Agreement to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor

shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold City, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Contractor shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and Consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities

related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.2.10.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Contractor shall specifically be aware of the CARB limits and requirements' application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by CARB or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

#### 3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the state.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor or City to penalties, fines, or additional regulatory requirements. Contractor shall defend, indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Contractor's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, City will provide Contractor with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance. Contractor shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit "D" (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures. Any regulated substances required to be applied as part of the Services shall be applied in accordance with applicable laws and regulations by properly licensed personnel consistent with the applicable standard of care and Contractor shall not be held liable for the use of such substances if properly applied by licensed personnel in accordance with applicable laws and regulations consistent with the applicable standard of care.

### 3.2.13 Bonds. [RESERVED]

3.2.13.1 Performance Bond. If required by law or otherwise specifically requested by City in Exhibit "D" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Agreement a Performance Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.13.2 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "D" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Agreement a Payment Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.13.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Agreement until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the total compensation is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bonds shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the total compensation, as referred to above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond, the City may terminate this Agreement for cause.

3.2.13.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, shall be accepted. The

surety must be a California-admitted surety with a current A.M. Best's rating no less than A:VIII and satisfactory to the City. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.2.14 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### 3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **Eight Million Four Hundred Nineteen Thousand Fifty-Five Dollars and Seventy-Six Cents (\$8,419,055.76)** without written approval of City's City Manager or his or her designee. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Contractor shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within thirty (30) days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

### 3.3.5 California Labor Code Requirements

a. Contractor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000.00 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any

failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the Services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor’s performance of Services, including any delay, shall be Contractor’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to City, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.4.4 Agreement Subject to Appropriation of Funds. The Contractor understands and accepts that at all times; the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement may terminate without penalty, liability or expense of any kind to the City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, the Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. The City has no obligation to make appropriations for the Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and City Council. Contractor's assumption of risk of possible non-appropriation is a part of the consideration for the Agreement. This section controls against any and all other provisions of the Agreement

### **3.5 General Provisions.**

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Contractor Headquarters:**

BrightView Landscape Services, Inc.  
980 Jolly Road, Suite 200  
Blue Bell, PA 19422

**Contractor Field Office:**

BrightView Landscape Services, Inc.  
825 Mabury Road  
San Jose, CA 95133

**City:**

City of Milpitas  
455 E. Calaveras Boulevard  
Milpitas, California 95035  
Attn: City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### **3.5.2 Indemnification.**

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all third party claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's Services, the Project or this Agreement, including without limitation the payment of all expert witness fees and



attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor. Notwithstanding anything to the contrary, Contractor's indemnification obligations under this Section shall not apply to the sole negligence or willful misconduct of the City.

**3.5.2.2 Additional Indemnity Obligations.** Contractor shall defend, with Counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against City or its officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City or its officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorneys' fees and costs, including expert witness fees. Contractor shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its officials officers, employees, agents, or volunteers.

**3.5.3 Governing Law; Government Code Claim Compliance.** This Agreement shall be governed by the laws of the State of California. Venue shall be in Santa Clara County, California. In addition to any and all Agreement requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City.

**3.5.4 Time of Essence.** Time is of the essence for each and every provision of this Agreement.

**3.5.5 City's Right to Employ Other Contractors.** City reserves right to employ other contractors in connection with this Project.

**3.5.6 Successors and Assigns.** This Agreement shall be binding on the successors and assigns of the parties.

**3.5.7 Assignment or Transfer.** Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Attorneys' Fees and Costs. If any action in law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to recover from the losing party attorney's fees and costs in an amount determined to be reasonable by a court of competent jurisdiction.

3.5.16 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party

warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

### 3.5.19 Wage Theft Prevention.

3.5.19.1 Contractor, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

3.5.19.2 BY SIGNING THIS AGREEMENT, CONTRACTOR AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONTRACTOR OR ITS SUBCONTRACTORS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONTRACTOR FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONTRACTOR AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONTRACTOR OR ITS SUBCONTRACTOR(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

3.5.19.3 If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Contractor or a subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or Contractor learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Contractor shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Contractor or its subcontractor(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Contractor or its subcontractor is subject to a payment or other alternative plan, the Contractor or its subcontractor shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

3.5.19.4 For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include: the United States Department of

Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

3.5.19.5 Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

3.5.19.6 Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

3.5.20 Federal Provisions. [RESERVED]

**[SIGNATURES ON NEXT PAGE]**

**SIGNATURE PAGE FOR MAINTENANCE SERVICES AGREEMENT  
BETWEEN THE CITY OF MILPITAS  
AND BRIGHTVIEW LANDSCAPE SERVICES INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

**CITY OF MILPITAS**

*Approved By:*

\_\_\_\_\_  
Steven McHarris  
Interim City Manager

\_\_\_\_\_  
Date

*Approved As To Form:*

\_\_\_\_\_  
Christopher J. Diaz  
City Attorney

**BRIGHTVIEW LANDSCAPE SERVICES  
INC.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

*Approved:*

\_\_\_\_\_  
Walter C. Rossmann  
Risk Manager/Director of Finance

*Approved As To Content:*

\_\_\_\_\_  
Tony Ndah Director of Public Works

## EXHIBIT "A"

### SCOPE OF SERVICES

#### INTRODUCTION

The City of Milpitas is located in Santa Clara County, California. It is situated with San Jose to its west and south and Fremont to its north. The City of Milpitas extends past the eastern portion of Highway 237 and up into the foothills. With the Alameda County border directly to the north, Milpitas sits in the extreme northeast section of the South Bay. The majority of the population is generally located between Interstate freeways 680 and 880, which run roughly north/south through the City. Milpitas is a unique community with a distinctive history. The City of Milpitas was incorporated in 1954, and most of the residential development occurred in the 1960's and 1970's. As late as the 1950's, the City of Milpitas was a rural area with a population under 1,000 residences. Most of the parks were therefore created in a relatively compressed time period and constructed as part of subdivision developments. As a result, many of the parks are similar in design, appearance, and range of amenities offered. Most parks are 35 to 45 years old.

The City of Milpitas currently has 38 parks of various types as listed below, with various amenities per park. All together the parks encompass a total of 188.02 acres of which 127.86 are turf acres. Among other things the parks include 27 tennis courts, three full basketball courts, seven half courts, nine baseball fields, five softball fields, one football field, and two soccer fields. Youth groups practice baseball/soccer at five other parks. Twice a year, baseball fields at Sports center must be converted to soccer fields then back to baseball by removing (Fall season) and reinstalling (Spring season) out field fencing.

The City of Milpitas is seeking a Contractor to provide a full-service replacement for its park's maintenance division, to provide all aspects of landscape maintenance and daily park operation, opening and closing of restrooms, including equipment maintenance and repair for all park amenities.

Below are links to the City's webpage where information and locations of parks may be found:

#### MINIMUM QUALIFICATIONS

Interested Proposers must comply with public bidding requirements applicable to the work to be performed and as otherwise set forth in the Instructions to Proposers. Furthermore, to Proposers must be deemed responsible and responsive to the RFP in order for their proposals to be considered. In order to be considered responsible, interested proposers must meet the following minimum qualifications

##### Experience and Personnel

Proposers must be a prime contractor, skilled and consistently engaged in the license class stated in this RFP for the past five (5) years. Proposers must be qualified to perform incidental work such as irrigation system maintenance, pesticide applications, and pest control. Proposals must demonstrate a verifiable past history of responsiveness, technical expertise and professionalism in the field of providing landscape and maintenance services to public entities with facilities of similar size to the City of Milpitas.

1. The Contractor's personnel assigned to the contract awarded from this RFP shall each have a minimum of five (5) years training and experience in landscape maintenance.

2. Contractor will ensure that a full-time employee is assigned to the job as supervisor for the duration of the contract and that the supervisor speaks English and has four (4) years' experience in landscape maintenance supervision.
3. The Contractor's landscape maintenance labor force shall include an Irrigation Technician who is English-speaking, trained and can correctly troubleshoot problems in the field and make appropriate repairs.
4. Contractor will ensure that all pesticides shall be applied by personnel who possess a valid and current California Qualified Applicator's License.
5. Certified Playground Safety Inspector certifications issued by National Recreation and Parks Association
6. Contractor shall report monthly pesticide use per the "City of Milpitas Contractor Monthly Pesticide Use Report".

These minimum qualifications shall be maintained throughout the contract duration.

#### EXISTING PARK CLASSIFICATIONS

A park classification system is the basis for park planning within the community. It defines the types of parks the system consists of, describes what facilities each type will contain the Milpitas park system includes all of the following categories. In general, the system is characterized predominately by mid-sized, neighborhood parks that serve the entire community as well as the local neighborhood.

**Community Parks:** Community parks typically contain regulation-size ball fields and courts, space for informal games and activities, picnic and gathering areas, children play areas and parking.

**Neighborhood Parks:** Neighborhood parks in the City are typical walk-to parks that serve the immediate neighborhood, providing open space for informal play.

**Urban Parks:** Urban parks are small facilities, generally less than one acre in size, which accommodate the daily recreation or passive needs of nearby residents. They typically can include children's play areas, sitting areas, and limited green space, but are not large enough to contain sports fields.

**Linear Parks:** Linear parks are narrow corridors of land that have been developed primarily as a trail system. Linear parks may also include other small-scale facilities such as picnic tables and benches. Milpitas has taken advantage of the Hetch Hetchy rights-of-way for the development of a linear park system.

**Special-use Parks:** The Special-use Parks include a park with a special element such as a historical building, unique views, or unique use like a dog park.

**School Facilities:** The Milpitas Unified School District allows mutual use of recreation facilities, such as ball fields, pools, and other sports fields.

#### TECHNICAL SPECIFICATIONS

##### PART 1 – GENERAL WORK REQUIREMENTS

##### 1.1 SUMMARY

- A. **Nature of Work.** The City of Milpitas is seeking a Contractor to provide full-service parks maintenance including all aspects of landscape maintenance and daily park operation, including equipment maintenance and repair for all park amenities. The scope of work of this contract will include all labor, plants, tools, equipment,

transportation, implements, insecticides, fungicides, fertilizers, disposal fees and other necessary items.

- B. Combination of Regularly Scheduled and "As Needed" Work. The Contractor will be required to perform both regularly scheduled work and unanticipated "as needed" maintenance, clean up and repair work (e.g. unscheduled restroom clean-up after an unusually large picnic area party rental) as directed by the City.
  
- C. Additions. The City reserves the right to add additional parks to the contract as they are completed or come off contract with other companies. Compensation for each additional park shall be based on the terms and conditions of this request for proposal.

A general breakdown of the duties required to be performed under the contract follows.

## 1.2 REQUIREMENTS

### A. Quality Control Submittals and Meetings

1. The Contractor shall submit all current and renewal licenses, permits and insurance documents required by the City of Milpitas, the State of California or the Federal government pertaining to the scope of maintenance work.
  
2. At the beginning of each month, the Contractor shall submit a MONTHLY MAINTENANCE CHECKLIST identifying the scheduled work for the month.
  
3. At the end of each month, the Contractor shall submit the completed MONTHLY MAINTENANCE CHECKLIST documenting the work completed, the location of the work, and a record of all labor and materials used.
  
4. The Contractor shall submit a WEEKLY IRRIGATION SYSTEM REPORT that notes visual observations from site inspections, and responses to the central irrigation system alarm reports. The City and the Contractor shall review the Contractor's report at the regular meetings outlined in Item 7 below.
  
5. The Contractor shall submit a monthly invoice for payment of work completed during the previous month, and attach backup documentation for all labor and materials used, and the location of all work, including but not limited to the following:
  - i. Monthly Maintenance Checklist
  - ii. Weekly Irrigation System Report
  - iii. Delivery tickets and receipts for materials used
  - iv. Pesticide/Herbicide use reports
  - v. Playground Inspection reports
  
6. The Contractor shall provide a written pesticide use recommendation issued by a licensed agricultural pest control advisor and accompanying



material safety data sheet for the application of all weed, pest and controls, display emergency information on all vehicles carrying pesticides, and label all containers as required by the California Department of Pesticide Regulation. The pesticide use recommendation shall contain but not be limited to the target pest, application rate, precautionary statements, and any restrictions and special conditions.

7. The Contractor shall attend regular meetings with the City Representative as frequently as deemed necessary by the City Representative to address service issues, review the Weekly Irrigation System Report, the Monthly Maintenance Report, pesticide and herbicide use reports, Playground inspection reports and other topics related to the services outlined in this solicitation as needed. Contractor's Project Manager and Crew Supervisor listed in the proposal shall attend these meetings.

### 1.3 QUALITY ASSURANCE

#### A. Qualifications

1. The Contractor shall have a full-time employee assigned to the job as supervisor for the duration of the contract. The supervisor must be English-speaking and shall have a minimum of four (4) years of experience in landscape maintenance supervision, with experience or training in turf management, pest control, soils, fertilizers, and plant and weed identification.
2. The Contractor's parks maintenance labor force shall include an irrigation specialist who can correctly troubleshoot problems in the field and make appropriate repairs. The labor force shall be English-speaking and thoroughly trained and familiar with the work to be accomplished and shall perform each task in a competent, efficient manner acceptable to the City.
3. The Contractor shall have on staff a Certified Playground Safety Inspector (CPSI) Issued by (NRPA) National Recreation and Parks Association.
4. The Contractor shall have on staff a (QAL) Qualified Applicators License holder or Higher issued by California Department of Pesticide Regulations to oversee and apply pesticides/herbicides.

#### B. Requirements

1. The Contractor's supervisor shall directly supervise the work force on-site. The Contractor shall notify the City of any changes in the supervision or irrigation specialist positions.
2. The landscape maintenance Contractor's vehicles and labor force shall be visibly identified at all times and the Contractor's employees uniformly dressed in a manner satisfactory to the City.

3. The Contractor's on-site supervisor shall be reachable by cell phone during work hours and the Contractor shall provide contact information after work hours in case of an emergency.

#### 1.4 WORK SCHEDULING

- A. The Contractor shall perform all maintenance during hours mutually agreed upon between City and Contractor.
- B. The Contractor's work force shall be present at the City daily and as often as necessary to perform specified maintenance in accordance with the approved maintenance schedule and response to the weekly irrigation system checks, and daily irrigation alarm reports.

### PART 2 – PRODUCTS

#### 2.1 MATERIALS

##### A. General

All materials and equipment shall be provided by the Contractor, except for recycled water, as available from the City.

##### B. Fertilizers and Aeration

1. All park turf areas shall be fertilized twice a year. All athletic fields shall be fertilized four times per year. During winter (October through March) Contractor shall use a commercial fertilizer with 16-16-16 formulation or approved equal applied at the manufacturer's recommended rate for plant material or follow soil sample analysis recommendations. Fertilizer is to be applied according to the manufacturer's recommendations of the number of pounds per acre.

During spring and summer (April through September) Contractor shall use a commercial fertilizer for turf areas, 25-4-8 slow release fertilizer with I.B.D.U. or approved equal. Fertilizer is to be applied according to the manufacturer's recommendations of the number of pounds per acre.

2. All turf shall be aerated twice a year. Athletic fields shall be aerated four (4) times a year. Athletic field aeration to be coordinated thirty (30) days in advance.

##### C. Herbicides, Insecticides, and Fungicides

1. Best quality materials in the original manufacturers' containers, properly labeled with guaranteed analysis.
2. Use non-staining materials.

##### D. Plant Materials

1. All container grown young plants shall be healthy, vigorous, well-rooted, and established in the container in which they are growing. They shall have

tops of good quality and be in a healthy growing condition. A container grown young plant shall have a well-established root system reaching the sides of the container to maintain a firm ball.

2. All annuals and perennials shall be nursery-grown in 4-inch pots, well rooted, full, healthy plants just ready to bloom.
3. All seed for reseeding turf areas shall match existing turf mix.
4. All sod for re-sodding shall match existing turf areas.

## 2.2 EQUIPMENT

- A. Use only the proper tool for each job. Maintain all tools in sharp, properly-functioning condition.
- B. Take all measures to prevent introduction of insect or disease-laden materials onto the site by properly cleaning and sterilizing tools prior to usage.
- C. As part of their proposal, Proposer shall provide a list of equipment that will be used to service any contract resulting from this bid. The City reserves the right to perform a physical inspection of the Proposers offices, yards or other locations to verify the Proposer possesses the required volume of equipment to service the City's requirements, as specified.

## PART 3 – EXECUTION

### 3.1 PREPARATION

- A. Protection
  1. The Contractor shall protect all new planting areas from damage of any kind until sufficiently established.
- B. Replacements
  1. Contractor shall be responsible to replace all plants damaged or injured by Contractor and set to proper grades in upright position.
  2. Replacement plants shall match size, condition and variety of plants replaced, and shall be healthy, vigorous stock, free of insects and disease.
  3. The Contractor shall remove and replace all bare, dead or unhealthy turf of any kind through sodding at no cost to the City. This shall include any turf grass damaged due to gophers.
  4. Plant materials that die from lack of water or lack of maintenance shall be the responsibility of the Contractor to replace at no charge or cost to City.

### 3.2 WEED, DISEASE AND PEST CONTROL

- A. Landscape areas shall be kept free of weeds. Weeding may be done manually or by the use of selective weed killers. The City typically only uses "CAUTION" labeled chemicals, anything else must be approved in advance by the City.

Extreme caution shall be observed if applying selective weed killers so as not to damage any desirable plants. If spraying is done, it shall be at times when there is no wind, or wind at five (5) mph or less to avoid drift.

- B. Weeds treated with a contact weed chemical shall be left in place for a minimum of seven (7) days. If kill is not complete, additional applications shall be made, at no additional cost to the City, until target species is eliminated. All turf and landscape areas are to be treated annually in the fall and again in the spring with a systemic pre-emergent granular weed control agent for the control of both broadleaf and grassy weeds. This application shall be included in the base price for the Contract. The material to be used and the application method proposed shall be approved by the City prior to application.
- C. The Contractor shall monitor all plant materials and ground covers for pests and diseases. Insects, pests and diseases shall be controlled by the use of approved pesticides and accompanied by a Pesticide Use Recommendation and Material Safety Data Sheet.
- D. The Contractor agrees to eradicate all gophers, moles, rodents and other related pests from all landscape areas covered within this project and restore the area to proper condition.

### 3.3 IRRIGATION SYSTEM MAINTENANCE

- A. The City's existing irrigation system is a Rainmaster Laguna central control irrigation system located in Public Works office's, for most parks, new controllers being added as park renovations occur. The Contractor must be familiar with the configuration of master valves and flow sensors, and controller programming, as well as the weekly observance of uniform coverage, the proper functioning of heads, and troubleshooting for high flow and low flow and no flow conditions. The Contractor shall be responsible for labor and materials to make all repairs from "the T" up (e.g. T, head, nozzles, risers, swings, etc.) Excessive water use, dead and dying plant material, or excessive line breaks due to Contractor negligence will also be the responsibility of the Contractor.
- B. Maintenance of the existing system by the Contractor shall include, but not be limited to the following:
  - 1. Irrigation schedules, which shall be submitted for City approval in writing at the beginning of the contract, and for Summer, Fall, Winter and Spring climate adjustments, as needed or requested by the City
  - 2. Weekly field inspection of the irrigation system by an irrigation specialist including observance of uniform coverage from the heads, dry spots, blowouts, runoff, etc.
  - 3. Field inspection by an irrigation specialist of the specific central irrigation system alarm reports.
  - 4. The repair of all irrigation piping, risers, heads and the drip emitters in response to field observation and central irrigation alarm reports.

5. A Contractor representative shall meet with City staff on bi-weekly basis. Once per month at the bi-weekly meeting, City and Contractor shall review the Weekly Irrigation System Report, which will include repairs made to piping, heads and nozzles, or repair approvals required for line breaks, valve replacements, and Contractor response to daily central system alarm reports.
6. All repair needs or irrigation scheduling needs discovered in the field shall be reported to the City on a weekly basis.
7. At no time will runoff or over spray from the irrigation system into the street, over the sidewalk or onto walls or buildings be allowed.
8. Cleaning and adjusting sprinkler heads and filters for optimum coverage.
9. Report within 24 hours to the City all accidental damage that may or may not have resulted from Contractor's negligence or operations.
10. The completion of the WEEKLY IRRIGATION SYSTEM REPORTS to be submitted with the MONTHLY INVOICE for review before payment.
11. Irrigation repairs upstream of "the Ts" shall be considered an extra work item to be approved by the City on a case by case basis.

C. Irrigation System Scheduling

- (i) Irrigation shall be scheduled with appropriate frequency and duration to meet the water requirements of the plants served by the valve.
- (ii) Irrigation frequency shall be determined by the evaporative demand and rainfall. Irrigation frequency shall be adjusted as necessary to account for predicted changes in weather and water use.
- (iii) Irrigation duration shall be adjusted for each valve to apply the appropriate amount of water required to wet the root zone of the plants within that irrigation zone. Irrigation duration shall consider the following:
  - Precipitation rate (inches per hour) of the specific sprinkler operated by that valve.
  - Infiltration rate of the soil.
  - Water holding capacity of the soil (inches of available water per foot of soil).
  - Rooting depth of plant material:

Turf	8 inches
Ground cover	12 inches

Shrubs	24 inches
Trees	36 inches

- (iv) Irrigation shall be applied in a manner to avoid erosion, excessive run-off, ponding, or creation of a waterlogged soil condition.

1) D. *Controller:*

1. Irrigation controllers shall be programmed as much as necessary, and as climate conditions dictate or as directed by the City
2. Controller programming shall adhere to the scheduling requirements set forth by the City, if any.
3. Controller programs shall be designed to conserve water and encourage deep rooting of all trees and ground cover.
4. Controllers shall be set to irrigate between the hours of 9:00 p.m. and 5:00 a.m.
5. Contractor is responsible for supplying replacement batteries in the controllers and remotes at no additional cost to the City.

### 3.4 FERTILIZATION

- A. All park turf areas shall be fertilized two times per year, all athletic fields shall be fertilized four (4) times per year and watered immediately after fertilization to prevent burning of grasses.

### 3.5 PESTICIDE AND HERBICIDE APPLICATIONS

- A. Contractor must have a currently certified California Pest Control Advisor, and all pesticide applicators must have a current "Recommendation" from the California Pest Control Advisor available on site correctly identifying the target weed species, pesticide to be used, rate of application, precautionary statements for safe handling and environmental protection, weather and timing restrictions, and shall be approved by the City prior to application. Applicators must also have a pesticide label and MSDS available on site.
- B. Pesticides shall be applied only by personnel who possess a California Qualified Applicator's License, with training in the specific pesticide they are applying.
- C. All applications shall be done with extreme care to avoid any hazard to persons, pets, or landscape plantings, including adjacent trees.
- D. The Contractor shall follow all applicable California Department of Pesticide Regulations requirements for the safe use and handling of pesticides, and for adherence to label instructions.

- E. No restricted use pesticides shall be used without the prior consent of the City. All requirements for the use of restricted materials, including the filing of the Notice of Intent, shall be the responsibility of the Contractor.

### 3.6 TURF CARE

- A. All turf areas shall be green and vigorous throughout the year without holes or brown patches.
- B. Turf shall be mowed once per week or as necessary to maintain a neat, trim appearance.
  - 1. Contractor shall develop and submit a mowing schedule.
  - 2. The cutting edges of all mowing equipment shall be kept in proper adjustment.
  - 3. Bruising, scalping or rough cutting of lawn will not be permitted.
  - 4. All debris shall be removed from turf areas by the Contractor prior to mowing.
  - 5. Turf shall be cut to a height of 2 to 2 ½ inches from November through February, and 2 ½ to 3 inches from March through October. All athletic fields shall be maintained at a height of 2 to 2 ½ inches at all times.
  - 6. Contractor must use mulching mowers and all turf cuttings shall be mulched into the site, including the athletic fields.
- C. All turf edges shall be trimmed after each cutting or as necessary to maintain a neat, trim appearance.
  - 1. Trimming shall include cutting all grasses along walls, fences, poles, guy wires and edging all grasses along curbs, sidewalks, mowing strips or any other objects within or immediately adjacent to lawn areas.
  - 2. Grasses shall be cut back a minimum of 12 inches from the base of any tree.
  - 3. Care shall be taken to avoid damage to tree trunks, shrubs, sprinklers and other structures while trimming.
- D. Turf shall be aerated twice per year for all parks and four times per year for athletic fields, to a minimum depth of three (3) inches. Once aeration has been completed, turf shall be fertilized as specified in section 3.5B.
- E. Maintain thatch layer at 1/2 in. depth or less. Verticut as required.

### 3.7 FIELDTURF MAINTENANCE GUIDELINES

- A. The Sports Center synthetic turf shall be maintained in accordance with

“Attachment A - FieldTurf Maintenance Guidelines”

- B. All maintenance is to be completed per the following schedule.
  - 4. Surface Brushing - Recommended Frequency: Every four to six weeks
  - 5. Surface Aerating – Recommended Frequency: Maximum two to three times per year.
  - 6. Surface Raking – Recommended Frequency: Every four to six weeks
  - 7. Surface Sweeping – Recommended Frequency: As needed
  - 8. Additional Maintenance Activities (specify) – Recommended frequency: As needed
  - 9. Complete Inspection of Line Markings, Seams, and High Traffic Areas – Recommended Frequency: As needed
  - 10. Infill Top Dressing (high traffic areas) – Recommended Frequency: As needed
  - 11. Snow Removal (if applicable) – Recommended Frequency: As needed

### 3.8 GROUNDCOVER MAINTENANCE

- A. Ground cover includes shrubs, assorted groundcovers, and vines. Hedge or edge all groundcovers to keep in bounds.
- B. Trim top growth as necessary to achieve an overall even appearance, and with regular frequency to not leave woody stubs.
- C. Do not square shrubs, but rather contour in a more naturalized shape to allow sunlight to reach the lower portion of the plant.
- D. Groundcovers shall be mowed or trimmed to specified height above finished grade in order to renew growth, improve density and attractiveness.

### 4.0 PRUNING

- A. All shrubs and groundcover shall be pruned when appropriate to remove dead or damaged branches and develop the natural form of the plant.
- B. Prune the plants that flower before the end of June immediately after flowering.
- C. Prune the plants that flower in summer or autumn in winter or spring before new growth begins.
- D. Do not form shrubs into geometrical shapes or shear the sides along the curb. Maintain the natural form of the shrub through selective pruning.
- E. Remove all spent leaves from daylilies, phormiums and agapanthus to maintain a neat and tidy appearance.



#### 4.1 CLEANING

- A. Dispose of all pruned materials, vacuum all turf clippings and leaves, sweep all walkways and rake smooth all mulched areas.
- B. Remove from the site all equipment, tools, containers and evidence of maintenance activities.

#### 5.0 ADDITIONAL DUTIES

**Athletic field/court maintenance:** Fields must be well maintained and in ready to use condition all year round. Inspections must be conducted weekly during the off season and daily during the season. Aerating shall be done quarterly. Seeding is done annually and during the off season. Adding soil amenities is normally done during aeration or seeding. Baseball and soccer fields are stripped by the leagues. Cutting base lines is performed annually and as needed. Fertilizing is done seasonally four times a year as per section 2.1 B above. Contractor is responsible for installing base pegs, mounds etc., and backboard and fence repairs as needed. Dug outs must be kept in good repair and free of graffiti. Backstops, all boards must be kept in good repair, painted annually or as needed to remove graffiti. Athletic fields and courts must be kept free of litter, broken glass, pop tops and other debris. All tennis and basketball courts shall be cleaned weekly of all sticky or unsightly residue, gum, etc. all athletic fields are to be maintained weekly free from ruts, trip hazards and holes.

**Mechanical weed control:** Removal of all weeds along walls, fences, poles, guy wires, curbs, sidewalks, mowing strips, other objects within or immediately adjacent to lawn areas and throughout athletic fields.

#### Restroom Security:

##### 1. SERVICE PROVIDED

The contractor will furnish scheduled service using uniformed personnel in a vehicle to be provided by the Contractor. After execution of the contract the City may add additional park restrooms at an agreed contract rate. The Contract will also provide, if required by the City, unscheduled restroom openings and closures of sites listed in this RFP. The restrooms at the Russell School Bobby Sox Complex are to be kept clean and restocked by the Contractor but opened and closed by the user groups.

##### 2. FREQUENCY OF SERVICE

Restrooms shall be unlocked and locked daily, 365 days a year.

##### 3. HOURS OF OPERATION

Restroom opening starts at 5:30 a.m. and must be completed by 8:00 a.m. Restroom closure shall begin no earlier than one hour before sunset and no later than 11:00 p.m. Exceptions to hours of security shall be upon mutual written agreement between the City and the Contractor.

##### 4. SECURITY ROUTES

Security routes shall be established by the Contractor. Contractor shall submit a map designating the routes to the City Parks from restroom to restroom. Routes shall be approved by the City.

## 5. PERFORMANCE STANDARDS

Contractor shall provide daily security of the City's park restrooms utilizing both vehicle and pedestrian methods. Any incidents of vandalism, vagrancy or that which might constitute a public nuisance or threaten the public's safety, shall be promptly reported to the City's police department. The contractor shall maintain a current knowledge of the activities, ordinances, rules and regulations of the City's park facilities. Contractor staff shall relate to the public in a courteous and professional manner at all times. Contractor shall promptly report any needed maintenance repairs to the Public Works Manager for Parks Maintenance. All damage, non-functional equipment, trash buildup, or acts of vandalism or graffiti must be reported to the City daily and dealt with according to the requirements listed herein.

## 6. REPORTS

Contractor shall submit weekly reports on the first working day of the following week. Such reports shall contain the Contractor's hours for the previous week, a summary of activities performed, and details of any incidents that occurred as well as a description of the action taken. Monthly reports will be a summary of the hours, activities and incidents of the previous month, and shall be submitted by the 15th of the following month.

**Restroom maintenance:** All restrooms shall be maintained per day seven (7) days a week, including holidays. Opening: Restrooms must then be cleaned, including scrubbing and disinfecting all toilets, urinals, and sink basins. All floors must be washed daily and squeegeed out so as to leave no standing water, all dust and cobwebs shall be removed from walls and rafters inside and outside of the restroom. Activate all faucets and hand dryers. Flush all toilets and urinals and check for proper operation. Unplug any plugged fixture drains immediately. The restroom must be restocked daily, including replacing light bulbs, and making any repairs of leaks or inoperable equipment as soon as scheduling permits. For purposes of this Contract, "regularly scheduled work" shall constitute once a day, daily work as set forth in this paragraph.

**Park clean-up:** All parks are cleaned each Monday and include removing all trash and debris from picnic areas and all path ways and raking leaves and other organic debris from the picnic areas. Picnic tables, benches and surrounding concrete shall be washed as necessary to be kept clean of spilled food and drink. Parks are monitored every day and cleaned as necessary depending on weather conditions and usage. Clean up must occur after all scheduled events, company picnics, birthdays, celebrations, etc. Contractor will be provided with schedule of events by the City on a weekly basis.

**Empty garbage cans:** The City has approximately three hundred sixty (360) garbage cans. Depending on park usage the number of cans to be dumped varies from 300-700 cans per week based on a four day per week pick up route. One loop of the route generally takes two days to complete. During the spring and summer months (April thru September) all cans must be checked and/or emptied prior to 5 p.m. on Friday. When the truck is full Contractor may dump out without charge at GreenWaste Recovery located at 625 Charles Street, San Jose, CA 95122. Damaged or vandalized garbage cans must be replaced as needed and will be supplied by the City. For purposes of this Contract, "regularly scheduled work" for emptying of garbage cans shall constitute a four day per week public pick up route.

**Playground inspections and replacements:** All play structures and playground areas are inspected weekly. All playground inspections must be conducted by a (CPSI) Certified Playground Safety Inspector per U.S. Consumer Product Safety Commission (CPSC) requirements. Weekly reports must be provided to the City.

**Playground repairs/adjustments:** Adjustments include maintaining proper surface material (sand and/or fiber) height, under swings and slides. Damaged equipment must be repaired and/or secured immediately. Approximately forty (40) repairs are preformed per year. Repairs must be made using original manufacturer parts. Swings must be kept untangled and unwrapped from poles. Major repairs must be conducted by a certified playground installer. Contractor's personnel performing playground inspection must maintain a current (CPSI) Certified Playground Safety Inspector Certification

**Dog Parks:** Clean up must be two (2) times per week and include litter, debris, and emptying garbage cans. Repair of holes in turf and removal of any tripping hazards. All fences, gates and benches, and drinking fountains must be maintained in good operational condition. All maintenance and mowing in the dog park must occur between 8:0 a.m. and 12:00 p.m. on Thursdays. No chemical weed controls are allowed in the dog parks.

**Graffiti:** All graffiti must be removed within 24 hours of being spotted or reported using graffiti remover, water and or sand blasting, and or painted over with a matching color on tables or benches or other painted surfaces. Approximately 120-150 incidents of graffiti are removed per year equivalent to approximately 15,000 square feet.

**Protections of Community:** Whenever the Contractor's operations create a condition hazardous to traffic or to the public, the Contractor, at the Contractor's expense and without cost to the City, shall furnish, erect and maintain such barricades, lights, signs, and other devices and take such other precautions as are necessary to prevent damage or accidents or injury to the public and Contractor's employees. The Contractor shall also furnish such flaggers as are necessary to give adequate warning to traffic or to the public of any dangerous conditions to the public. All flagging costs shall be born solely by the contractor.

**Storage Areas:** The Contractor is responsible for making Contractor's own storage arrangements for equipment and material, etc. Stockpiling material on the streets or in the public right-of-way is not allowed at any time. Materials and debris will be removed from the job sites by the end of the working day. Failure to do so will cause the City to remove the material or debris from the site and deduct the cost of said work from the Contractor's monthly maintenance payment.

#### GENERAL PARK MAINTENANCE

Includes:

1. Park Signage – Installation of new signs, post's and repair, repaint or remove graffiti from existing signage.
2. Protective fencing – All exterior perimeter fencing, including wooden, cyclone, and steel bar fencing surrounding all service areas including playgrounds, horse shoe pits, athletic courts; must be kept in good repair, free of graffiti. Minor repair or maintenance of all fencing areas as well as graffiti removal must be completed within one business day of occurrence or reporting. Larger repairs must be completed within 3 business days of the occurrence or reporting by the City.
3. Bike Racks - Must be kept in good repair and free of graffiti.
4. Dog Bag Dispensers - Approximately 30, replenish bags as needed. Replace dispensers as needed. Bags must be bio-degradable.

5. Bulletin Boards - Must be kept in good repair, free of graffiti, including replacement of Plexiglas doors and boards as needed.
6. Raised Planters/Retaining Walls - Come in two types wooden and pre-cast concrete blocks, all must be kept in good repair, free of graffiti,
7. Shade Structures - come in three types: wooden, canvas and steel must be kept in good repair and free of graffiti.
8. Picnic Tables and Benches - must be kept in good repair and free of graffiti, including painting and replacing damaged boards. Picnic areas shall be maintained in a clean and sanitary condition. Litter, broken glass, and other debris shall be cleaned from the site and tables and concrete pads cleaned of sticky or unsightly residue, pop tops, etc.
9. Drinking Fountains – must be kept clean and in good repair and fully operational at all times.
10. Barbecues. –Steel barbecues must be painted annually with black hi-temp paint and replaced as necessary due to rusting out. Concrete barbecues must be kept in good repair, free of graffiti, and all loose or damaged blocks must be replaced as necessary. All trash, unburned charcoal, and ashes must be removed weekly.
11. Catch Basins – All catch basins must be kept clear of accumulated debris. Grating must be maintained in good condition and replaced as necessary.
12. Pathway Maintenance and Repairs - Pathways come in three types: decomposed granite, asphalt, and concrete. They must be kept free of tripping hazards, pot holes, and vehicle ruts. Tripping hazards or raised areas must be ground down as necessary, pot holes and vehicle ruts must be filled in with like material, Damaged, protruding or rotted pathway boarders must be replaced as needed. All pathways must be kept free of litter, broken glass, pop tops and other debris. Asphalt and concrete pathways shall be cleaned of sticky or unsightly residue, gum, etc.
13. Bridge Maintenance - There are combination wood and steal bridges. All bridges must be kept in good repair, free of graffiti, including painting and/or replacing damaged boards.
14. Parking Lot cleaning - All trash, debris and leaves must be removed twice a week or as needed.
15. Service Requests - Contractor must be able to respond to all service requests within the same business day. Service requests can include any aspect of any duty under the contract. Hazards have to be taken care of the same day; all other repairs must be worked into the schedule as soon as possible and within a maximum of three (3) days. Service requests come from City dispatch and/or various City departments, and or the community hotline. Requests will be transferred by email or phone to the contractor.
16. Vandalism Repairs/Clean Up - There are approximately 100-200 acts of vandalism per year. Vandalism can be anything from broken glass, to graffiti, to burned garbage cans, turf damage, or damage to any facility or piece of playground equipment. Clean up must be completed within one business day of occurrence or reporting. Public hazards must be secured immediately. Larger repairs must be completed within 3 business days of the occurrence or reporting by the City.

**PERFORMANCE MEASURES**

The selected Contractor shall perform all services in a diligent way to avoid callbacks from the City. Thoroughness and completeness of the work is required. Lack of completeness and neatness will result in callbacks from the City. Callbacks from the City due to unacceptable work shall be solely the Contractor's responsibility at the Contractor's expense. Callback work shall be performed in a timely manner and shall not exceed 24 hours from first notification. Notification of unacceptable work will be sent in writing to the project manager no more than 24 hours after initial finding.

**EXHIBIT “B”**  
**SCHEDULE OF SERVICES**

**[RESERVED]**

**EXHIBIT "C"**  
**COMPENSATION**

The compensation for the services outlined in this Agreement are subject to a 2.50% increase on March 30 of each contract year. The table below specifies the annual not-to-exceed (NTE) amount of each contract year as well as a total contract NTE amount:

Year	Escalator	Contract Year NTE
1	N/A	\$ 1,601,698.93
2	2.50%	\$ 1,641,741.40
3	2.50%	\$ 1,682,784.94
4	2.50%	\$ 1,724,854.56
5	2.50%	\$ 1,767,975.93
	Five-Year NTE	\$ 8,419,055.759

Contract Year 1 compensation rates for each park broken out by activity, on-call rates and rates for future parks added to this Agreement begin on the following page.

PARKS PRICE TABLE

Name	Maintenance Services Price Per Month	Irrigation Price Per Month	Landscaping Per Month	Annual Lump Sum
<b>Alviso Adobe</b>	\$2,821.32	\$270.00	\$3,091.32	\$37,095.87
<b>Augustine Memorial Park</b>	\$ 3,354.45	\$ 341.26	\$ 3,695.71	\$44,348.51
<b>Augustus Rathbone</b>	\$1,434.60	\$11.38	\$1,445.98	\$17,351.76
<b>Ben Rogers Park</b>	\$4,654.03	\$485.23	\$5,139.26	\$61,671.15
<b>Bob McGuire Park</b>	\$5,440.97	\$287.48	\$5,728.45	\$68,741.40
<b>Calaveras Ridge Park</b>	\$1,279.70	\$ 0.00	\$1,279.70	\$15,356.35
<b>Calle Oriente Mini-Park</b>	\$228.93	\$19.90	\$248.83	\$2,986.00
<b>Cardoza Park</b>	\$ 6,540.88	\$ 568.77	\$ 7,109.66	\$ 85,315.89
<b>Cerano Park</b>	\$ 1,530.24	\$ 200.00	\$ 1,730.24	\$ 20,762.88
<b>Creighton Park</b>	\$ 2,603.00	\$ 284.38	\$ 2,887.38	\$ 34,648.59
<b>Dixon Landing Park</b>	\$ 6,407.75	\$ 625.65	\$ 7,033.40	\$ 84,400.81
<b>Dog Park at Ed Levin (Milpitas Muni Code V- 9-7.01)</b>	\$ 1,026.92	\$ 89.30	\$ 1,116.22	\$ 13,394.66
<b>Foothill Park</b>	\$ 1,973.20	\$ 205.66	\$ 2,178.85	\$ 26,146.24



<b>Gill Memorial Park</b>	\$ 4,917.20	\$ 460.70	\$ 5,377.90	\$ 64,534.83
<b>Hall Memorial Park</b>	\$ 5,436.85	\$ 595.43	\$ 6,032.28	\$ 72,387.38
<b>Hetch-Hetchy Linear Park</b>	\$ 3,922.96	\$ 423.74	\$ 4,346.70	\$ 52,160.36
<b>Hidden Lake Park</b>	\$ 3,871.25	\$ 369.70	\$ 4,240.95	\$ 50,891.42
<b>Higuera Adobe Park</b>	\$ 3,597.48	\$ 309.98	\$ 3,907.45	\$ 46,889.45
<b>Hillcrest Park</b>	\$ 3,733.76	\$ 295.76	\$ 4,029.52	\$ 48,354.24
<b>John McDermott Park</b>	\$ 1,243.32	\$ 56.88	\$ 1,300.20	\$ 15,602.40
<b>Jones Memorial Park</b>	\$ 3,068.76	\$ 295.76	\$ 3,364.52	\$ 40,374.24
<b>Milpitas Sports Center</b>	\$ 9,975.00	\$ 1,156.31	\$ 11,131.31	\$ 133,575.74
<b>Murphy Park</b>	\$ 4,275.00	\$ 494.84	\$ 4,769.84	\$ 57,238.03
<b>O'Toole Elms Park</b>	\$ 3,465.89	\$ 59.90	\$ 3,525.79	\$ 42,309.48
<b>Parc Metro East Park</b>	\$ 4,289.40	\$ 123.33	\$ 4,412.73	\$ 52,952.76
<b>Parc Metro Middle (Central) Park</b>	\$ 1,935.02	\$ 34.73	\$ 1,969.75	\$ 23,637.00
<b>Parc Metro West Park</b>	\$ 2,200.41	\$ 58.67	\$ 2,259.08	\$ 27,108.96

<b>Pecot Park</b>	\$ 1,962.26	\$ 170.63	\$ 2,132.89	\$ 25,594.71
<b>Pinewood Park</b>	\$4,759.50	\$455.02	\$5,214.52	\$ 62,574.26
<b>Robert E. Browne Park</b>	\$ 3,224.65	\$ 280.40	\$ 3,505.05	\$ 42,060.64
<b>Russel Middle School Softball Field</b>	\$ 2,955.83	\$ 447.05	\$ 3,402.88	\$ 40,834.57
<b>Sandalwood Park</b>	\$ 2,289.31	\$ 199.07	\$ 2,488.38	\$ 29,860.59
<b>Selwyn Park</b>	\$ 163.52	\$ 14.22	\$ 177.75	\$ 2,132.94
<b>Sinnott Park</b>	\$ 2,090.00	\$ 267.32	\$ 2,357.32	\$ 28,287.85
<b>Starlite Park</b>	\$ 1,973.20	\$ 205.66	\$ 2,178.85	\$ 26,146.24
<b>Strickroth Park</b>	\$ 2,755.00	\$ 324.20	\$ 3,079.20	\$ 36,950.36
<b>Tom Evatt Park</b>	\$ 5,258.14	\$ 326.89	\$ 5,585.03	\$ 67,020.36

Future Park Pricing

<b>Job Duties</b>	<b>Frequency</b>	<b>Unit of Measure</b>	<b>Cost Per unit of Measure</b>
1) Mowing and edging	weekly	Square Foot	\$.04 per month
2) Weed control	twice annually and as needed	Square Foot	\$.01 per month
3) Mechanical weed control	as needed	Square Foot	\$.05 per month
4) Pruning shrubs and ground cover	Twice annually and as needed	Square Foot	\$.02 per month
5) Fertilizing and Aeration	2 to 4 times annually depending on the park or athletic field	Square Foot	\$.04 per month
6) Empty trash cans	twice weekly and as needed	Per Trash Can	\$17.33 per can per month
7) Remove trash & misc. debris from landscape	weekly and as needed	Square Foot	\$.01 per month
8) Inspect, adjust and repair irrigation system	weekly and as needed	Per Hour	\$75.00 per hour
9) Restroom service: opening, closing cleaning, repair and restocking	daily	Per Restroom	\$653.00 per month
10) Playground inspection reports per U.S. CPSC requirements	weekly	Per Structure	\$133.00 per structure
11) Playground inspection	weekly and as needed	Per Structure	\$257.00 per structure per inspection
12) Athletic field maintenance	daily/weekly	Square Foot	\$.05 per month
13) Parking lot cleaning	weekly and as needed	Square Foot	\$.01 per month
14) Vandalism reports	as needed	Per Location	\$737.00 per month all locations
15) Graffiti Maintenance	as needed	Square Foot	\$1.50 per sq ft of graffiti area
16) Herbicide application	seasonally	Square Foot	\$.01 per month
17) Clean and repair drinking fountains	as needed	Per Unit	\$485.00 per unit per repair/\$22.50 per unit for cleaning if clogged
18) General Park Maintenance	as needed	Square Foot	\$.01 per month
19) Tennis and basketball court cleaning	weekly	Square Foot	\$.01 per month
20) Dog park	twice weekly	Per Location	\$262.60 per service

On-Call Pricing

Labor Item No.	Description/Title	Regular Hourly Rate	Overtime Weekday Rate	Overtime Weekend Rate	Overtime Holiday Hourly Rate
	Crew Supervisor	\$85.00	\$127.50	\$127.50	\$170.00
	Crew Foreman	\$55.00	\$82.50	\$82.50	\$110.00
	Irrigation Technician	\$75.00	\$112.50	\$112.50	150.00
	Landscape Maintenance Laborer	\$45.00	\$67.50	\$67.50	\$90.00
	Mark-up percentage off Contractors verified invoice cost for materials	10%	10%	10%	10%
	Markup percentage for rented equipment	10%	10%	10%	10%

## EXHIBIT "D"

### INSURANCE REQUIREMENTS

Please refer to the insurance requirements listed below. **Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.**

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

#### **Commercial General Liability (CGL):**

☐ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

X ☒ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

☐ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

#### **Automobile Liability:**

X ☒ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 combined single limit for bodily injury and property damage.

\_\_\_ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than \$5,000,000.00 combined single limit for bodily injury and property damage.

\_\_\_ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

#### **Professional Liability (Errors and Omissions):**

\_\_\_ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \$1,000,000.00 per occurrence or claim, \$2,000,000.00 aggregate.

\_\_\_ (If Design/Build), with limits no less than \$1,000,000.00 per occurrence or claim, and \$2,000,000.00 policy aggregate.

\_\_\_ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \_\_\_\_\_ per occurrence or claim, \_\_\_\_\_ aggregate

#### **Workers' Compensation Insurance:**

X\_ Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

#### **Builder's Risk (Course of Construction):**

\_\_\_ Insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions. If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

#### **Contractor's or Consultant's Pollution Legal Liability:**

\_\_\_ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000.00 per occurrence or claim and \$2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or

Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

### **Cyber Liability Insurance**

\_\_\_ Cyber Liability Insurance with limits not less than \$1,000,000 per claim.

Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor or Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security.

The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

### **Surety Bonds:**

Contractor shall provide the following Surety Bonds:

\_\_\_ Bid Bond  
 \_\_\_ Performance Bond  
 \_\_\_ Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

### **Other Insurance Provisions:**

The insurance policies are to contain, or be endorsed to contain the following provisions:

#### **X\_ Additional Insured Status and Primary/Non-Contributory Language:**

Contractor's general liability and automobile liability policies shall be primary and shall not seek contribution from the City's coverage and be endorsed to add the City and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 (or equivalent) on the general liability policy. For construction projects, an endorsement providing completed operations coverage for the additional insured on the general liability policy, ISO form CG 20 37 (or equivalent), is also required.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

\_\_\_ **Loss Payee Status – Builder’s Risk/Course of Construction Insurance (applicable to Construction Contracts only)**

Contractor or Consultant may submit evidence of Builder’s Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

**X\_ Notice of Cancellation, Suspension or Otherwise Voiding Policies:**

Each insurance policy required above shall contain or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days’ prior written notice by certified mail, return receipt requested to the City.

**X\_ Waiver of Subrogation:**

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers’ Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

\_\_\_ **Completed Operations**

For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

**THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS**

**Deductibles and Self-Insured Retentions (“SIR”):**

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.



City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

#### **Acceptability of Insurers:**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII, unless otherwise acceptable to City.

#### **Claims Made Policies: (note - should be applicable only to professional liability, see below)**

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

#### **Subcontractors:**

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

#### **Verification of Coverage:**

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this

clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

### **Special Risks or Circumstances**

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

### **Failure to Comply:**

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

### **Applicability of Coverage:**

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

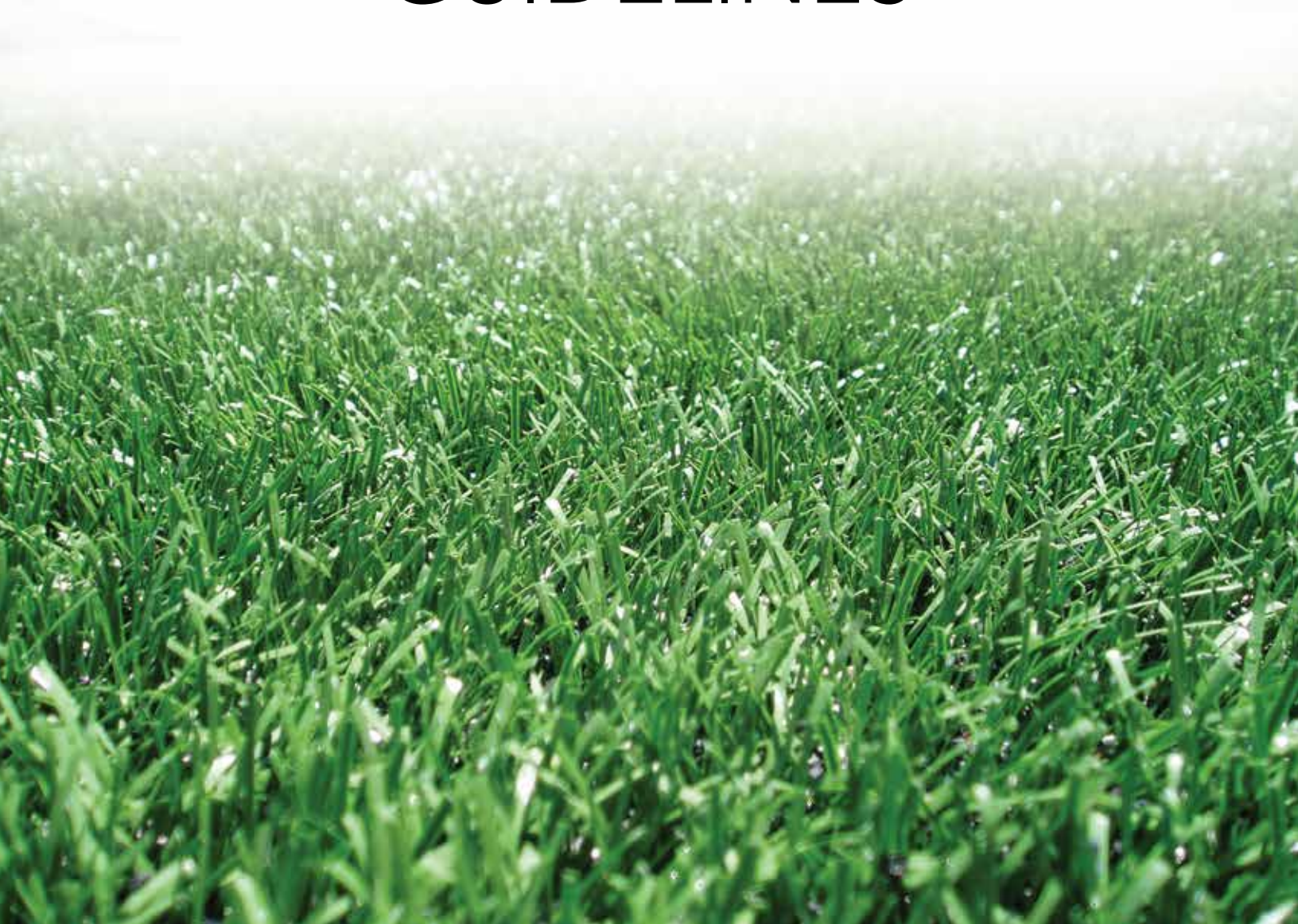
**EXHIBIT “E”**  
**FEDERAL REQUIREMENTS**

**[RESERVED]**

**YOU BOUGHT THE BEST**  
NOW GIVE IT THE CARE IT DESERVES



# MAINTENANCE GUIDELINES



## WELCOME TO FIELDTURF!

It is my great pleasure to welcome you to the FieldTurf family. Thank you for putting your trust in our hands. Together, we are making a commitment to thousands of athletes who will play on your new field for years to come. This is the beginning of a long-term partnership between our two organizations.

Please take the opportunity to read through these maintenance guidelines. They are here to make your life as easy as possible. We recommend that all maintenance personnel review the guidelines and watch FieldTurf's maintenance video that demonstrates procedures, equipment usage, general maintenance guidelines, cleaning products, and frequently asked questions.

Have a question that you need answered? Our dedicated team is there to help with any questions. Our team guarantees fast and effective solutions for all your needs.

Phone: 1-800-724-2969

E-Mail: [customerservice@fieldturf.com](mailto:customerservice@fieldturf.com)

Welcome to the family!

Sincerely,

**Eric Dalieri**

President

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## GETTING STARTED - THE ESSENTIALS

### MAINTENANCE GUIDELINES ACCEPTANCE FORM

Ensure that the Maintenance Guidelines are read and understood by the proper maintenance personnel and that the Maintenance Guidelines Acceptance Form is signed and sent back to FieldTurf within 30 days of completed installation.

## FieldTurf Owner's Manual Acceptance Form



Field Name: \_\_\_\_\_

Field Location: \_\_\_\_\_

#### Owner Representatives Present: (Name & Title)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

#### Training Session:

Date provided: \_\_\_\_\_ Duration: \_\_\_\_\_

#### The following were reviewed during the session:

- ☐ FieldTurf Maintenance Guidelines  
☐ Infill Replenishment Practices (High Traffic Areas)

☐ BARS  
☐ FieldCare – New Field Program Offer

#### Description of Equipment Provided: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- ☐ Maintenance equipment assembled by installation crew  
☐ Equipment demonstration set up on utility vehicle provided by field owner  
☐ Field maintenance training provided by installer with "Field Demo"

	Quantity Stock
Field rolls - quantity:	<input type="text"/>
Sand - quantity (tons):	<input type="text"/>
Rubber - quantity (tons):	<input type="text"/>
Colored turf:	<input type="text"/>
Colored turf:	<input type="text"/>
Colored turf:	<input type="text"/>
Colored turf:	<input type="text"/>
Other:	<input type="text"/>
Date received maintenance equipment:	<input type="text"/>

I the undersigned acknowledge having received the FieldTurf Owner's Manual for the product purchased by the owner. By signing this document the Owner confirms that the above listed items have been provided/completed in conformance with the project requirements and delivered/accepted by the owner.

Please give original copy to FieldTurf Representative and keep a photocopy for your records. **Read, Agreed and Accepted**

Authorized Personnel Name: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Installation Foreman: \_\_\_\_\_  
Certified Installer's Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_  
Date Submitted: \_\_\_\_\_  
Foreman Signature: \_\_\_\_\_

## MAINTENANCE LOG

Make sure all maintenance is done on a timely basis and use our maintenance log chart to keep an up to date reference of all work done on your field. This will help you keep a record of all maintenance procedures performed.

# Official FieldTurf Maintenance Log



Date Form Submitted (M/D/Y): \_\_\_\_\_ Organization: \_\_\_\_\_

Name of Field: \_\_\_\_\_ Name of Maintainer: \_\_\_\_\_

STAGES	DATE	NAME	SIGNATURE
<b>Surface Brushing</b> <b>Recommended Frequency:</b> Every 4-6 weeks	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Surface Aerating</b> <b>Recommended Frequency:</b> Maximum 2-3 times/year (beginning in 2nd year)	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Surface Raking</b> <b>Recommended Frequency:</b> Every 4-6 weeks	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Surface Sweeping</b> <b>Recommended Frequency:</b> As needed	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Additional Maintenance Activities</b> (specify) <b>Recommended Frequency:</b> As needed	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Complete Inspection of Line Markings, Seams and High Traffic Areas</b> <b>Recommended Frequency:</b> As needed	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Infill Top Dressing</b> (high traffic areas) <b>Recommended Frequency:</b> As needed	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		
<b>Snow Removal</b> (if applicable) <b>Recommended Frequency:</b> As needed	M/D/Y		
	M/D/Y		
	M/D/Y		
	M/D/Y		

There are three ways to submit this completed form:

1. **Fax:** 514-340-9374
2. **Email:** [customerservice@eldturf.com](mailto:customerservice@eldturf.com)
3. **Physical Mail:** 7445 Côte-de-Liesse Road Suite 200, Montreal Quebec H4T 1G2 Canada



An editable copy of the FieldTurf Maintenance log can be downloaded at: [customerconnect.fieldturf.com](http://customerconnect.fieldturf.com)



## ROUTINE MAINTENANCE

### REMOVAL OF WEEDS AND MOSS

FieldTurf's superior artificial grass surfaces may look like grass, feel like grass and play like grass; however if not properly maintained, much like its natural grass cousin, it may still become susceptible to some of grass lovers natural foes: weeds and moss. It is important to prevent weeds and moss from growing on FieldTurf as it can affect the playability of the surface. Although routine maintenance will prevent this from happening, weeds and/or moss may occur at the interface between the synthetic grass and the perimeter curb.

Should this occur, treat the area with a biodegradable weed killer such as Round Up®, which leaves no residue and more importantly, won't negatively affect the fibers or the coloring of your field. If problems should arise, a 3-prong tool can be used to remove weeds and moss from the affected areas. This should be done carefully so as not to tear the backing and damage the fabric.

Moss could grow on the field surface if the following conditions are present:

- The field surface has not been maintained or groomed over a long period of time.
- If there is an unusual amount of shade on the field and the field has been neglected.
- If the field surface has been left covered with vinyl tarps over a long period of time.
- If there is sufficient moisture and any/all other conditions for growth are met.



## SHOE CLEANING

Cleaning mud and dirt from cleated shoes with the use of brushes or cleat cleaners placed near the field will prevent soiling and staining of the field surface.

- Cleaning tools should not be placed directly on the FieldTurf surface.
- Various models are available online or in most sports stores.



## MAINTENANCE CARE PRODUCTS



Depth Gauge


Turf Bond  
10 oz Tube

Turf Bond Kit  
4 x 10oz Tubes & 40' Seaming Tape


Emergency Repair Kit



## Maintenance Guidelines Addendum for FieldTurf PureFill Fields

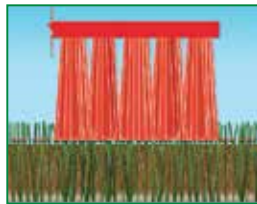


Static Conditioner

### Surface Anti-Static & Water Treatment

#### RECOMMENDED FREQUENCY:

On an as needed basis for the initial break-in period of the field. Applying the FieldTurf anti-static treatment in recommended dilution rates with water will help alleviate infill static that commonly occurs on new infilled turf fields.

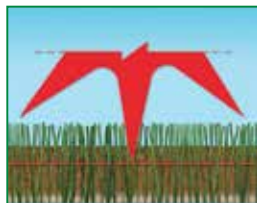


Brushing

### Surface Brushing

#### RECOMMENDED FREQUENCY:

Every 2 weeks and after heavy rainfalls.



Aerating

### Surface Aerating

#### RECOMMENDED FREQUENCY:

Maximum 3 times/year, ideally after every sport season and after snow clearing, if applicable (beginning in 2nd year).



Raking

### Surface Raking

#### RECOMMENDED FREQUENCY:

Every 4-6 weeks.



Sweeping

### Surface Sweeping

#### RECOMMENDED FREQUENCY:

As needed.

### Complete Inspection (of line markings, seams and high traffic areas)

#### RECOMMENDED FREQUENCY:

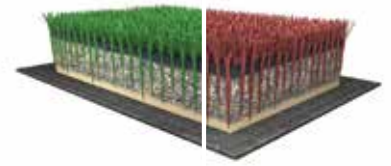
As needed.

### Infill Top Dressing

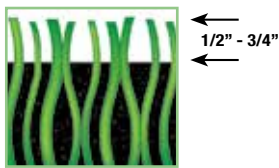
#### RECOMMENDED FREQUENCY:

As needed to keep 3/4" of the fiber exposed and proper infill depth. This will be a necessary periodic maintenance item given the light-weight and organic nature of the PureFill infill.

# Maintenance Guidelines Addendum for FieldTurf DoublePlay Baseball Fields



## DOUBLEPLAY



Proper Infill Level

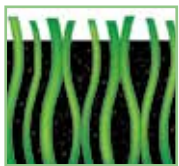
1/2" - 3/4"

**Thank you for purchasing a high performance FieldTurf baseball field. You now join the likes of hundreds of others around the country that play on our surface.**

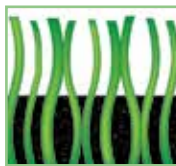
In addition to our standard maintenance guidelines we recommend that you pay special attention to the following DoublePlay specific items:

### Proper Infill Depth

At all times, there must be no less than 1/2" and no more than 3/4" fiber showing above infill. Maintaining the infill level is critical to fiber performance and player safety. Specific attention must be given to the home plate and first base areas (if covered by FieldTurf). We recommend that the infill levels be measured and remediated at these areas after every game and practice.



Over Filled



Under Filled

### Surface Brushing

**RECOMMENDED FREQUENCY:** Every 2 weeks or as needed to maintain proper infill depth and fiber appearance.

### Surface Aerating

**RECOMMENDED FREQUENCY:** Maximum 3 times/year, ideally after every sport season and after snow clearing, if applicable (beginning in 2nd year).

### Surface Raking

**RECOMMENDED FREQUENCY:** Every 4-6 weeks or as needed to maintain proper infill planarity and infill depth.

### Surface Sweeping

**RECOMMENDED FREQUENCY:** As needed.

### Complete inspection (of line markings, seams and high traffic areas)

**RECOMMENDED FREQUENCY:** As needed.

### Infill top dressing

**RECOMMENDED FREQUENCY:** As needed to keep proper infill depth. This will be a necessary periodic maintenance item given the nature of athletic activity on most baseball fields, especially in the high traffic areas – home plate, first base, second base, third base.

### Home Plate Area

**We recommend that the home plate area, when covered with FieldTurf, be protected with an alternative turf surface during practices.**



Brushing



Aerating



Raking



Sweeping





## FieldTurf DoublePlay Infill Depth Maintenance

In order to properly maintain the infill depth on FieldTurf baseball fields, it is essential to have the following simple tools available at all times.

### Essential Infill Depth Maintenance Tools

- Plastic Handheld Rake
- Plastic Handheld Infill Scooper
- Infill Depth Gauge

With a few simple steps using your essential infill depth maintenance tools, infill can easily be added and leveled out for areas on the field that are low on infill. These areas are typically high traffic spots such as the home plate area, first base, second base, and third base.

### Step 1

Using the infill depth gauge, loosen the black screw at the bottom of the depth gauge, place the flat circular part flush with the top of the infill and move the top lever down until the needle penetrates the infill to the turf backing. Verify and record that the depth level is within specification. The infill depth should always be such that 0.5" to 0.75" of fiber is showing above the infill. That translates to an infill depth of 1.25" for any of FieldTurf's standard baseball products featuring turf fiber heights of 2" or 1.75".



**\*Note:** When inserting the needle into the infill, do not press overly hard so as to break the depth gauge and ensure that the needle is not bending in order to get an accurate depth measurement.

### Step 2

Identify the areas with low infill using your infill depth gauge and brush or lightly rake the fibers in the given area to an upright position.



### Step 3

Add required amount of SBR cryogenic rubber infill to get the low infill area to its proper specified depth using the plastic handheld infill scooper.



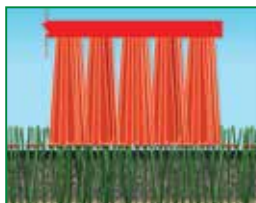
### Step 4

Rake the infill into the turf with the plastic handheld rake. Minimal force is required to work the added infill into the turf. Once complete, ensure that the infill is evenly placed in the given area using your infill depth gauge.

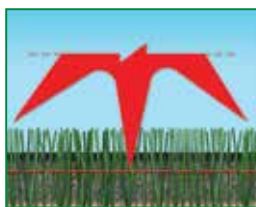




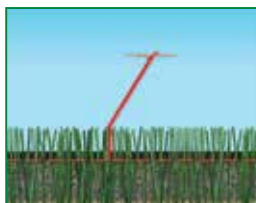
## Maintenance Guidelines Addendum for FieldTurf Indoor Fields



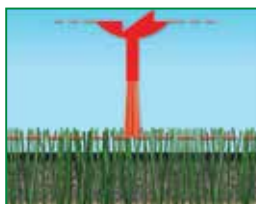
Brushing



Aerating



Raking



Sweeping



FieldTurf Scrub Detergent  
FieldTurf Static Conditioner

### Surface Brushing

Every 2 to 3 weeks. Maximum.

### Surface Aerating

Max 3 times per year, beginning in 2nd year.

### Surface Raking

As needed.

### Surface Sweeping

As needed.

### Infill Replenishment

Weekly in high traffic areas. As needed elsewhere to maintain proper infill depth with 3/4" of fiber exposed.

### Infill Re-Distribution

A leaf blower may be required to clear infill from perimeter/board/wall areas.

### Complete Inspection

Inspection of line markings, seams and high traffic areas as needed.

### Cleaning / Sanitizing

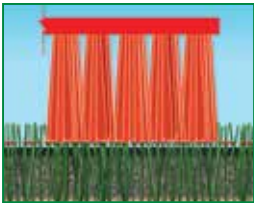
Use FieldScrub minimum once per year.

### Anti-Static Conditioning

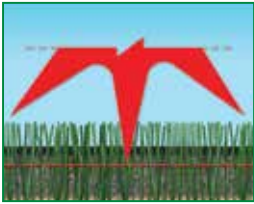
As needed.

**PLEASE NOTE:** All entrance areas should be covered to avoid premature wear.

# Maintenance Guidelines Addendum for FieldTurf Lacrosse Fields



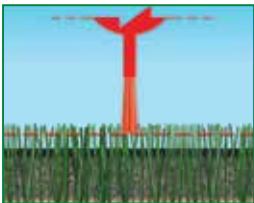
Brushing



Aerating



Raking



Sweeping

## Surface Brushing

Every 4 weeks. Maximum.

## Surface Aerating

Twice per year, for entire field.

## Surface Raking

Every 6 weeks. Maximum.

## Surface Sweeping

As needed.

## Infill Replenishment

Weekly or as needed in high traffic areas to maintain proper infill depth with 3/4" of fiber exposed.

## Complete Inspection

Inspection of line markings, seams and high traffic areas as needed.

## Weekly:

- Verify inlaid markings at crease areas, fans, and center face off for infill levels and fiber layover.
- Practice and "Drill" areas, in and around the goal also need to be checked more regularly to make sure infill depth is within the normal range.
- Add infill to all key critical field areas.

## Annually:

Field inspection by trained FieldTurf "FieldCare" personnel is recommended. If needed, yearly or bi-annual additional inspection and grooming can be discussed with our trained personnel, depending on field usage.

# BARS

BRUSHING AERATING RAKING SWEEPING

THERE ARE 4 BASIC MAINTENANCE OPERATIONS THAT ALL FIELDTURF FIELDS REQUIRE ACCORDING TO OUR RECOMMENDED MAINTENANCE SCHEDULE.

WE SIMPLY CALL IT BARS  
BRUSHING, AERATING, RAKING AND SWEEPING.

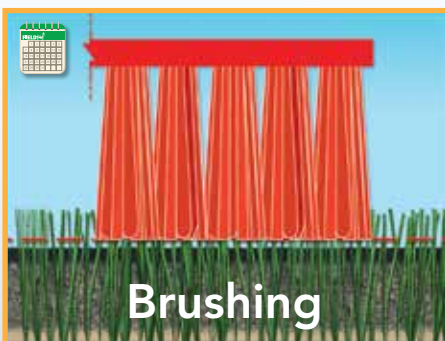
The minimum requirement to pull groomers and sweepers should be vehicles that have at least 20HP and be equipped with Turf tires. Vehicles should not exceed 70psi of pressure on the Turf/Base system. Hydraulic capabilities are not necessary with any of FieldTurf's current groomers or Sweepers as all are mechanically driven.

**SETTING SWEEPERS:** When setting Sweepers for use, make sure that the brushes never penetrate the infill. Proper removal of debris will only require the brushes to penetrate the top of the fibers.

**SETTING GROOMERS:** When setting the Groomer components for use, the rotating tines should penetrate the infill by 3/4". The rakes should penetrate the infill by 1/2". The brushes should not penetrate the infill.

**N.B.** If you are subscribed to a Field Care Program, please consult your Field Care Manager for recommended grooming frequencies. Grooming systems equipped with internal/external rotary brushes should be limited to frequencies of 2-3 times per year.

## A SUMMARY OF THE STEPS TO FOLLOW FOR LONG-LASTING PERFORMANCE

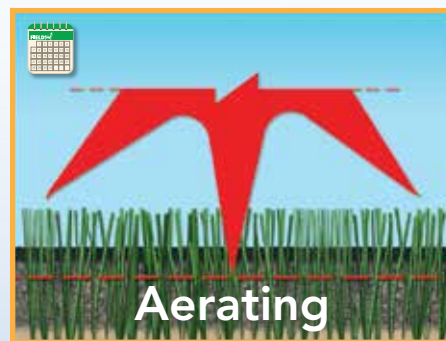


### BRUSHING

Rejuvenates the matted fibers and levels the top portion of the infill.

EVERY 4-6 WEEKS

Brushing

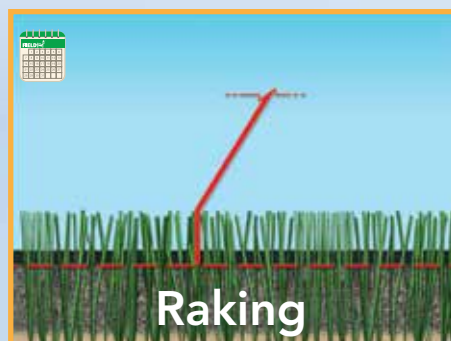


### AERATING

Rotating tines are designed to penetrate and loosen the infill to avoid minor compaction.

MAXIMUM 3 TIMES/  
YEAR (BEGINNING  
2ND YEAR)

Aerating

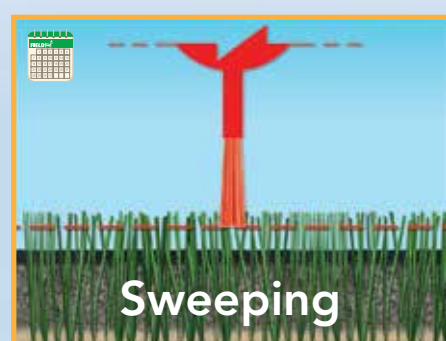


### RAKING

Prevents fibers from matting down and ensures that the infill is loosened.

EVERY 4-6 WEEKS

Raking



### SWEEPING

A clean field ensures that foreign material or debris does not get into the infill.

AS NEEDED

Sweeping



**OTHER NECESSARY MAINTENANCE PROCEDURES SHOULD BE DONE PERIODICALLY AND ACCORDING TO USAGE.**

## INSPECT LINES & MARKINGS

It is important to notify our Customer Service department if any line markings or seams come apart.



as needed



## INFILL TOPDRESSING

Adding rubber to the top layer of infill may be necessary in high traffic areas.



as needed



## SNOW REMOVAL

If you need to remove snow from your field, adhering to proper guidelines is vital. (See page 31)



as needed



## FIELD COVERING

Use FieldTurf Armour protection systems for any events that require field covering and vehicle access. (See page 17-22)





## DIRECTION OF OPERATION

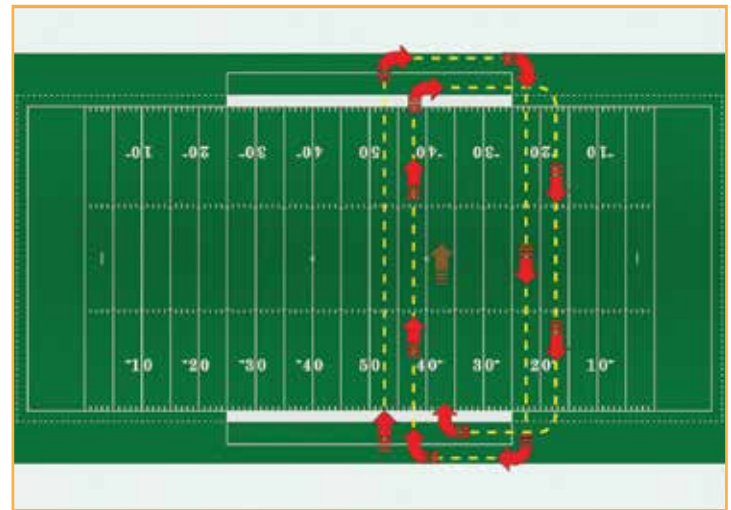
This diagram indicates the ideal method of operation for all FieldTurf machines and BARS procedures. Starting on the sidelines at the edge of the center of the field, cross the field from one side to the other in a straight line. Then go down the sidelines 25 yards and cross the field again to the other side. Next, go up the field 20 yards and cross the field again. Repeat this procedure from the center to both ends of the field until the grooming is complete. Rotating start position and end direction is recommended. The last passes should be end to end on the side panels.

## KEY FACTS ABOUT FIELDTURF MAINTENANCE EQUIPMENT

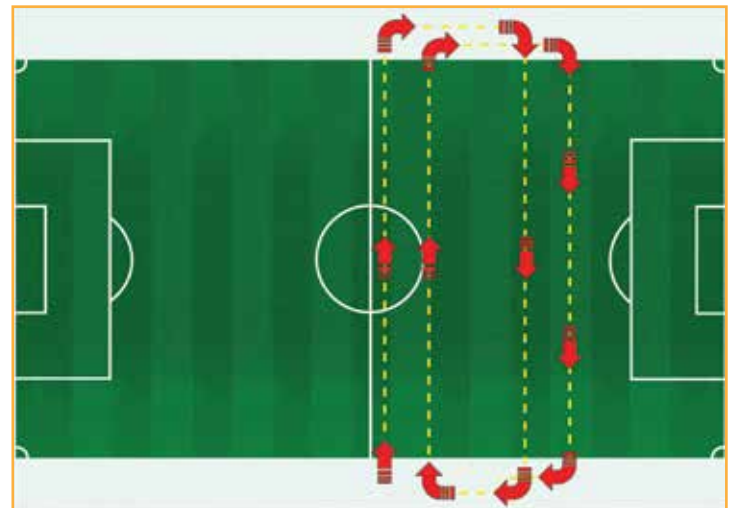


**IMPROPER USE CAN DAMAGE YOUR EQUIPMENT AND YOUR FIELD. PLEASE TAKE NOTE OF THE FOLLOWING KEY FACTS:**

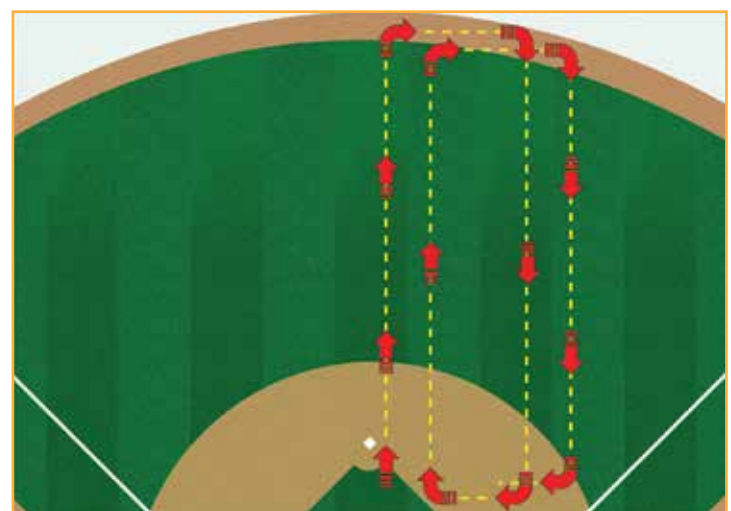
- Make sure all equipment is clean before entering the field
- Do not operate any equipment until it is on the field
- Do not operate any equipment while in a stationary position
- Always turn off equipment just before stopping
- When sweeping, check your collector basket immediately after starting and do so often
- Collecting too much rubber while sweeping will indicate improper settings
- Pay special attention to high traffic areas, where the fibers and infill levels may be different from other parts of the field, and adjust your settings accordingly. As with any equipment, always read the manual before operating.



FOOTBALL



SOCCER



BASEBALL

## APPROVED ACTIVITIES

OUR FIELDTURF SURFACE HAS BEEN DESIGNED FOR THE FOLLOWING APPROVED AND PERMITTED ACTIVITIES, IN ADDITION TO A WIDE RANGE OF NON-SPORTING ACTIVITIES:

Athletics such as shot put, hammer throw, discus and even javelin (fitted with a rubber tip), can be occasionally performed on FieldTurf. Ideally, the landing area should be outside the playing area but if unavoidable the field should be covered with alternative covering to prevent damage to the FieldTurf surface.

To insure optimum performance of your FieldTurf field we recommend that repetitive training drills and activities be rotated to prevent continuous wear at a single location.

- Football
- Field Hockey
- Baseball/Softball
- Lacrosse
- Soccer
- Rugby
- Physical Education
- Pedestrian traffic
- Graduation
- Concerts
- Events
- Outdoor Ice Hockey Games



## PROHIBITIONS

Your FieldTurf field should be kept free from food, gum, sunflower seeds, glass, cigarettes, fireworks, driving stakes and any sharp objects that will risk damage to the field and injury to players. Your field should also be kept free from debris, leaves, paper and windblown material. It is imperative that your FieldTurf field be a designated non-smoking area. Unauthorized maintenance equipment and personnel are prohibited.

**FIELDTURF SUPPLIES ITS CLIENTS WITH 2 COMPLIMENTARY SIGNS TO HANG AT THE ENTRANCE OF THE FIELD AND AROUND THE PERIMETER IN ORDER TO CLEARLY DEMONSTRATE THE MAJOR PROHIBITIONS ON FIELDTURF.**



### Protect Your Turf

- NO food
- NO sunflower seeds
- NO tobacco products
- NO chewing gum
- NO smoking
- NO driving stakes

Questions? Call FieldTurf 800-724-2969

## GRADUATION GUIDELINES

FieldTurf has developed ideal covering systems that are suitable for all types of events, including Graduation ceremonies, called the FieldTurf Armour systems (Pages 17-22). A request for Information/ Pricing can be obtained by visiting [www.fieldturf.com/maintenance](http://www.fieldturf.com/maintenance)

Though it is always preferable to cover the Surface as shown in the Guidelines, budgets permitting, many have held this event without covering the main area of the field itself.

If the field is new, less than 6 months old, conditions might be different than with a mature field. Since Graduation events are traditionally held in the spring, depending on climactic conditions, the field might get a chance to "weather" through the winter months, so it will be important to test the chairs on the surface, as indicated below, if it is chosen not to cover that area of the field.

Though post chairs will generally not damage the surface, they do tend to sink a bit; a quick test will show you the end result. If post chairs are used without a Field covering however, those equipped with rubber stoppers are a must. The chairs should only create small "Divot" holes that should generally disappear when the field is groomed after the event. Again, testing the end results off the main field of play is always recommended.

Depending on the final set-up, ladies will find heels very difficult to walk in. Many have recommended that the ladies either wear/or bring "Flats" for their own comfort. Another option to full covering would be to cover the aisles with recommended covering or plywood, then conventional carpeting over the top.

It will be imperative, however, to cover the area under the staging. Either a recommended covering (i.e. FieldTurf Armour), the Equivalent protection using similar systems or 4' X 8' (3/4") plywood sheets which can be doubled or tripled, as required, under the stage footings. The thickness used will depend on the PSI that exceeds the allowable 70 psi (as indicated in the "Vehicle Circulation" guidelines (Page 32 ). A tarp or plastic covering underneath should be used to avoid splinters getting into the grass.

It should be noted that your FieldTurf warranty covers the components and Installation of your FieldTurf product. Though all efforts are made to provide appropriate directives for the staging of events other than the sporting activities set out in the warranty; the responsibility remains on the owner for any mishaps or damages that might occur, however no breach in warranty exists with the staging of such events.

A thorough grooming is recommended after the event. (See pages 33-34 if assistance is needed.)

Here are two examples:



Chairs with "Full contact to the surface" are ideal, if available. Here are two examples:





# FieldTurf ARMOUR

FieldTurf Armour turf protection systems are in use worldwide at prestigious arenas and stadiums and have proven themselves through extensive use. Whether you are having a large concert or a small on-field gathering, FieldTurf Armour will protect your turf against damage and keep your visitors safe and comfortable.

Increase revenue and flexibility and open your building to trade shows, concerts, corporate events, graduations and anything else you can conceive of. We have the experience, the expertise and the range of products to satisfy nearly any flooring requirement.

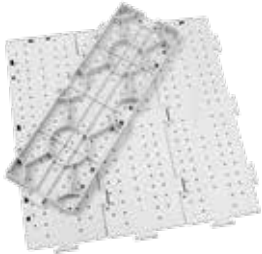
You can install chairs, staging and other equipment without damage. Drive forklifts, move carts and place equipment easily on artificial turf, running tracks and other sensitive surfaces.

All of our systems are interlocking, modular, expandable, and allow for unique configurations and customized layouts. FieldTurf Armour is easy to install, dismantle and store. Sections can be installed quickly and are designed for regular and repeated use.





# FieldTurf ARMOUR



## FIELDTURF ARMOUR GP

General Purpose Turf Protection

- Tile size: 4" x 12" x 3/4"
- Module Size: 36" x 48" x 3/4"
- Weight: 0.81 lbs per sq ft
- Supports: 8,000 lbs per sq ft
- Suitable for guest areas, chairs and light equipment
- Does not require tools - snap connection system
- Expansion joint modules to control expansion issues outdoors
- Transition edging



## FIELDTURF ARMOUR MD

Medium-Duty Turf Protection

- Tile Size: 12" x 24" x 1-1/8"
- Module Size: 36" x 48" x 1-1/8"
- Weight: 1.44 lbs per sq ft
- Supports: 20,000 lbs per sq ft
- Suitable for guest areas, chairs, equipment and staging areas
- Does not require tools - snap connection system
- Expansion joint modules to control expansion issues outdoors
- Transition edging



## FIELDTURF ARMOUR HU

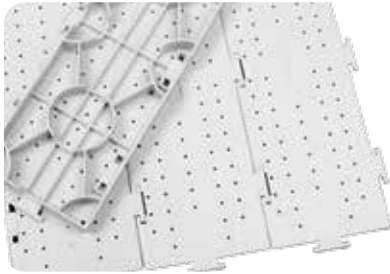
Heavy-Use Turf Protection & Portable Roadway

- Module size: 42" x 42" x 2"
- Weight: 2.45 lbs per sq ft
- Supports: 25,000 lbs per sq ft
- Suitable for guest areas, chairs, equipment, staging, trailers, vehicles and trucks
- Integrated self-aligning hook-and-loop connection system
- Secondary camlock system adds ballast
- Transition edging





# FIELDTURF ARMOUR GP



FieldTurf Armour GP was designed specifically for all types of synthetic turf and offers a greater level of protection against debris, liquids and dirt.

Designed to minimize wear and damage to your turf, FieldTurf Armour GP protects against surface abrasion, surface and base compaction and contamination of the turf and the infill as a result of attendee traffic.

Underside channels are contoured to eliminate sharp edges and prevent shifting of infill and of the flooring. After your event is over, simply brush your synthetic grass back into shape. Unlike older systems, it will be nearly impossible to see any distinguishable pattern in the turf.

## FIELDTURF ARMOUR GP DEPLOYS RAPIDLY IN ANY STADIUM

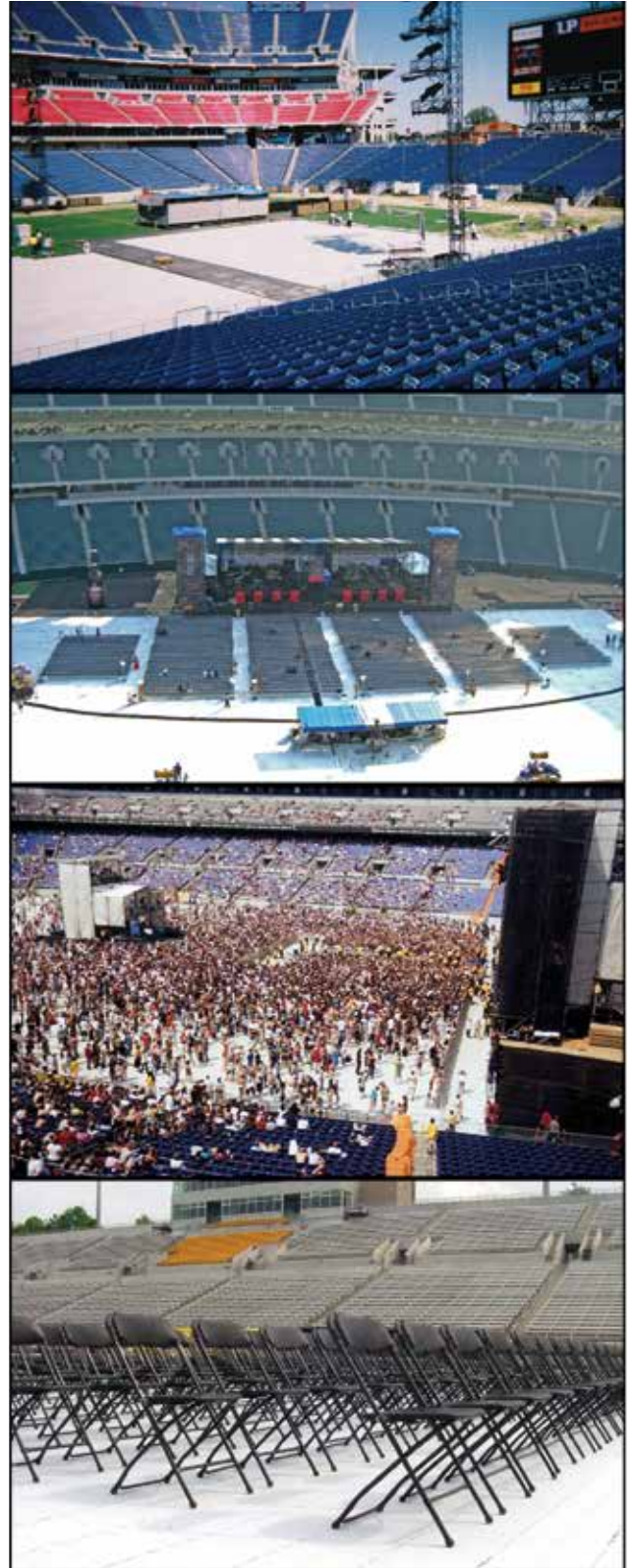
- Designed to be easily deployed without tools
- Completely expandable and configurable as required on-site
- Pre-assembled sections are packed efficiently for easy transport and storage
- Unique inter-module connection system enables tiles to snap into place in both directions
- System contours to the field as needed to accommodate surface imperfections
- An 80,000 sq/ft (7,432 sqm) stadium can be deployed in 5-6 hours with about 20 people
- Expansion joints make installation even easier

## FIELDTURF ARMOUR GP IS MADE USING THE HIGHEST QUALITY MATERIALS

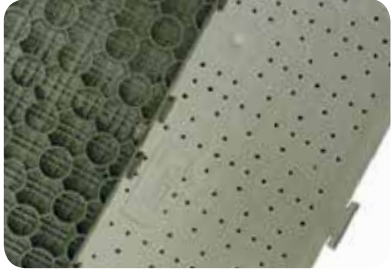
- High quality co-polymer plastic has izod impact value
- Specific no-break characteristics
- 5-year UV package prevents brittleness
- High ethylene content provides flexure and prevents cracking
- Connector tabs are designed with flexure to prevent breakage

As a result of our quality material formulation, FieldTurf Armour GP is able to resist the rigors of regular use and will not break, crack, fade or become brittle. It has proven itself worldwide in all climates and conditions.

## FieldTurf ARMOUR GENERAL PURPOSE PROTECTION



# FIELDTURF ARMOUR MD



Designed to offer a greater level of protection, rigidity and weight-loading capability than our GP system, FieldTurf Armour MD is perfect for large areas that require additional support for vehicles, staging and equipment.

Designed to minimize wear and damage to your turf, FieldTurf Armour MD protects against surface abrasion, surface and base compaction and contamination of the turf and the infill as a result of attendee traffic.

Underside channels are contoured to eliminate sharp edges and prevent shifting of infill and of the flooring. After your event is over, simply brush your synthetic grass back into shape. Unlike older systems, it will be nearly impossible to see any distinguishable pattern in the turf.

## FIELDTURF ARMOUR MD DEPLOYS RAPIDLY IN ANY STADIUM

- An 80,000 sq/ft (7,432 sqm) stadium field surface can be deployed in 6 hours with about 15 people
- Quick turnarounds minimize the impact to the grass surface
- Pre-assembled 3' x 4' panels make storage and installation efficient
- Designed to be easily installed without the use of tools
- Completely expandable and may be configured as required on-site
- Transported and stored on standard shipping pallets for efficiency
- Robust connection system enables tiles to snap together in both directions
- System contours to the field as needed to accommodate "crowned" fields and other surface imperfections
- Robust enough to handle heavy weights, equipment, and traffic
- Flexible joints prevent breakage
- Integrated bi-directional cable

## FIELDTURF ARMOUR MD IS MADE USING THE HIGHEST QUALITY MATERIALS

- High quality co-polymer plastic has high izod impact value
- Specific no-break characteristics
- Built-in 5 year UV package prevents brittleness
- High ethylene content provides flexure and prevents cracking
- Connector tabs are specially designed with flexure to prevent breakage

## FieldTurf ARMOUR MEDIUM-DUTY PROTECTION





# FIELDTURF ARMOUR HU



Our premium turf protection system is designed to handle heavy loads and to provide the ultimate in stability and ground protection. It is the most advanced engineered stadium flooring system on the market today and offers superior protection for all types of surfaces and infills.

FieldTurf Armour HU is a large panel system that features an integrated connection system, a durable aluminum cam lock system and unsurpassed liquid spill protection. Each section has a useable surface area of 42" x 42" and is 2 inches thick, thus providing maximum rigidity and surface protection. Sections connect more quickly than other stadium flooring systems - thus minimizing labor and installation time.

FieldTurf Armour HU tile overlap, incorporates a liquid capture channel which prevents unwanted liquids from flowing through the seam to the protected surface.

FieldTurf Armour HU offers greater protection against moisture and debris. All underside ribbing features a radius edge that eliminates any sharp edges and provides additional peace of mind when transporting heavier payloads over the floor.

## FIELDTURF ARMOUR HU IS DESIGNED TO HANDLE HEAVY WEIGHTS

- Handles heavy weights from vehicles, forklifts, and other moving loads
- Ideal choice for both front of house and backstage areas
- Aluminum cam lock system is stronger than any other cam lock systems
- Provides superior life span and long-term durability
- FieldTurf Armour HU's integrated hook and loop system provides additional torsional stability and strength

## FieldTurf ARMOUR HEAVY USE PROTECTION





# FieldTurf ARMOUR



## FIELDTURF ARMOUR HU IS MANUFACTURED USING THE HIGHEST QUALITY MATERIALS.

- Made from the finest High Density Plastic (HDPE)
- Reinforced with additives for added strength, flex modulus, and izod impact value.
- Built in 5-year UV package prevents degradation and brittleness.
- Our cam locks are manufactured in aluminum (others are made of plastic), providing considerable increased strength.

## FIELDTURF ARMOUR HU IS THE MOST COMPREHENSIVELY ENGINEERED SYSTEM, DESIGNED TO HANDLE THE RIGORS OF CONCERT AND STADIUM USE.

- FieldTurf Armour HU is the lowest maintenance heavy duty system available.
- Attractive anti-slip sandblast finish is easy to clean.
- No unsightly patterns to catch dirt.
- No submerged channels to trap food or debris.



# EMERGENCY REPAIR KIT INSTRUCTIONS

## FieldTurf is very proud to introduce you to its “Emergency Repair Kit”

The FieldTurf Emergency Repair Kit contains the following; Brush, Putty Knife, Rags, Depth Gauge, Caulking Gun, Turf Bond Adhesive, Seaming Tape, Scoring Knife and Angle Irons. Other items you will need are: A leaf rake and/or a stiff bristled broom or brush and a clean Shop Vac. You might also need; a small quantity of Rubber Infill and/or Silica Sand and possibly a Leaf Blower, if conditions are not perfectly dry, and a shovel.

1. Make sure that the area is reasonably dry. If the area is damp, you can use the reverse function on the Shop Vac, or aim a Leaf Blower approximately 2' from the area and in a back and forth motion to dry the area as much as possible or you can peel back the area and let mother nature help if the sun comes out.
2. With the aid of a Shop Vac, making sure that it is clean; as you will re-use the infill, lift the affected area and pull on the turf a bit further in order to insure that the rest of the area is secure. Vacuum the infill from the carpet backing, as well as a bit of infill from each side.
3. Use the angle irons provided to hold back the turf of both sides of the inlay being repaired.
4. Apply the “Turf Bond” adhesive to the area to be re-glued. The Putty Knife provided can be used to help even out the adhesive. A spray mist of water will help the bonding process.
5. Replace the turf onto the glued area by using a rolling method, additional adhesive can be added to this step, if required. Check the area in about 15 minutes to insure the bonding process has begun. The longer you can wait before re-infilling the better (1 hour minimum).
6. Replace the infill mix that has been removed during the gluing process by layering the infill in small quantities, while making sure no fibers get trapped during the process.
7. If pure rubber is available to you, you can touch up the top layer, if needed, to bring the infill depth back to the specified level.
8. Void from the top of the infill to the top of the fibers should be  $\frac{3}{4}$ " – 1" (this can be verified by using the Depth Gauge included in the kit).

**The repaired area should take about 24 hours to dry completely, however the area can usually be played on in approximately 2 hours.**

Please make sure that you have reported the repairs to us, by phone 1-800-724-2969 or by email [customerservice@fieldturf.com](mailto:customerservice@fieldturf.com) indicating exact locations and photographs, if possible, so that we can record and track your field performance over your field's longevity. Your Customer Service representative will schedule a field visit from a repair technician as soon as they are available to be in your area.

You can also watch our repair video at [www.fieldturf.com/repair](http://www.fieldturf.com/repair)

**If you have any questions, please contact FieldTurf's Customer Service team at 1-800-724-2969**

## EQUIPMENT

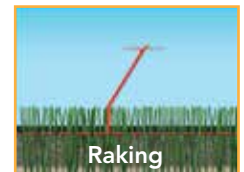
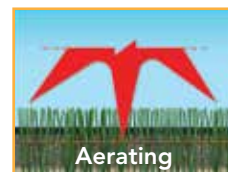
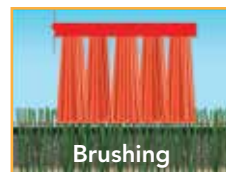
FieldTurf has a complete lineup of custom equipment engineered to facilitate all your maintenance requirements. All equipment or vehicles used on FieldTurf must be equipped with turf tires. Equipment must be stored indoors or outdoors with proper covering, such as a tarp.

The list of approved maintenance equipment includes the FieldTurf GroomRight, the FieldTurf GroomRight Wings, the FieldTurf SweepRight, the FieldTurf SweepRight Pro and the FieldTurf Tow Behind Magnet.

Please be aware that "off the shelf" maintenance equipment can damage your field. If you are unsure if your maintenance equipment is allowable or prohibited, please contact the FieldTurf Customer Service Department.



**NOTE:** Sweeping of the field must be done right after any other maintenance procedure to prevent any foreign material from settling into the infill before usage.



## FIELDTURF GROOMRIGHT

The FieldTurf GroomRight is the turf industry's most efficient piece of maintenance equipment. It consists of multiple brushes, rakes and rotating tines. Each of these components can be used individually or all together.

The aerating component features rotating tines located at the center of the unit, to loosen the infill without damage to the fibers.

The brushing and raking components are designed to level the infill while at the same time rejuvenating fibers.



### SETTING:

When setting the FieldTurf GroomRight for use, the rotating tines should penetrate the infill by  $\frac{3}{4}$ ". The rakes should penetrate the infill by  $\frac{1}{2}$ ". The brushes should not penetrate the infill.

- **FREQUENCY:**
  - Raking: 4 - 6 weeks
  - Brushing: 4 - 6 weeks
  - Aerating: Maximum of 3 times / year, ideally after every sport season, and after snow clearing, if applicable (beginning in 2nd year)
- **RECOMMENDED VEHICLE:** Small garden tractor, gator or larger vehicle
- **SPEED: 3 MPH** – always make wide turns





## FIELDTURF SWEEPRIGHT

FieldTurf SweepRight is a mechanically driven unit designed to remove larger fallen debris from the FieldTurf surface and it is the most economical and efficient machine for sweeping. Debris should always be removed as soon as possible. With a dual-speed, dual-brush pickup system, SweepRight is the ultimate turf sweeper. It contains a unique ratcheting device that allows the outside wheel to drive the brushes during a turn so you never lose sweeper efficiency. The system also features a mesh plate to facilitate debris pick-up.



### SETTING:

When setting the SweepRight for use, make sure that the brushes never penetrate the infill. Proper removal of debris will only require the brushes to penetrate the top of the fibers.

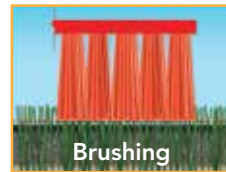
- Frequency: As needed
- Recommended Vehicle: Small garden tractor, gator or larger vehicle
- Speed: 3 mph – always make wide turns
- Same setting for the SweepRight and SweepRight Pro.



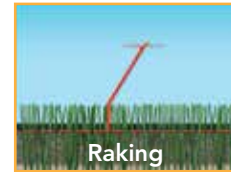
## FIELDTURF SWEEPRIGHT PRO

FieldTurf SweepRight Pro is a gear driven sweeping system with 6' brush and vibrating debris hopper to sift infill material.





Brushing



Raking

## FIELDTURF STATIC BRUSH

FieldTurf Static Brush has a 7' static drag brush and spring tine system. Designed to lift synthetic fibers and level infill material. Brush height and spring tines are independently adjustable.

### SETTING:

When setting the Static Brush for use, the brushes should not penetrate the infill. The rakes should penetrate the infill by 1/2".

- Frequency:
  - Raking: 4 - 6 weeks
  - Brushing: 4 - 6 weeks
- Recommended Vehicle: Small garden tractor, gator or larger vehicle
- Speed: 3 mph – always make wide turns



## ACCESSORIES

### FIELDTURF GROOMRIGHT WINGS

Removable and adjustable brush extensions extend the unit to 14 feet in order to level off infill and raise fibers for better field playability.



### FIELDTURF TOW BEHIND MAGNET

- 7' tow behind magnet
- Detachable tow hitch
- Works independently or as an attachment for the SweepRight Pro or GroomRight.
- Quick release pull handle for debris removal



## CARE AND MAINTENANCE PRODUCTS

FieldTurf has a variety of environmentally friendly products to keep your field completely clean.

All FieldTurf products are available in 1 liter (1 Quart) formats and are packed in cases of 6.

### FIELDTURF SCRUB DETERGENT

FieldTurf Scrub is a powerful industrial cleaner and conditioner, which can be used for removal of grease and oil, and is chemically formulated to be compatible with other FieldTurf treatment products, such as liquid static conditioners. This product may also be used to clean the field surface as well as decontaminate surrounding surfaces, such as benches, equipment, and other items.

#### HOW TO USE:

Dilute FieldTurf Scrub as follows in warm or cold water and apply with a spray bottle, hand-sprayer, back-pack sprayer for small areas or an industrial Boom Sprayer for full field application. If possible, the area should be brushed and rinsed with clean water.

Suggested application rate of 1:40 will require 4 liters (1 US Gallon) to cover 10,000 square feet.

- Heavy dirt, grease, oil, hydraulic fluids, bodily fluids - 1:4
- Sport drinks, carbonated beverages, etc. - 1:20
- General purpose cleaning - 1:40

Please consult the label on the FieldTurf Scrub bottle for important safety information and precautions.



1L

### FIELDTURF STATIC CONDITIONER

FieldTurf Static Conditioner is specifically formulated for the effective control of electrical static buildup on artificial grass surfaces. The product can be purchased in a liquid or powder form and is safe for applications on FieldTurf surfaces without affecting the color and appearance of your FieldTurf field.

#### HOW TO USE:

Apply either with hand sprayer for smaller areas, or with an industrial Boom Sprayer for full field use. Allow to dry. The suggested application rate is 850 to 1000 sq. ft. per gallon. Reapply as necessary to maintain desired level of protection. 1 liter will make 22 US Gallons and will cover approximately 20,000 square feet. To minimize aerosol generation application pressure should be kept below 40 psi.

Please consult the label on the FieldTurf Static Conditioner bottle for important safety information and precautions.



1L

## FIELDTURF GUM REMOVER

FieldTurf Gum Remover is an effective biodegradable solvent formulated for removing gum, tar, and adhesives from FieldTurf surfaces.



Always wear chemical resistant gloves when applying FieldTurf Gum Remover.

### HOW TO USE:

#### STEP 1:

Using a 2.5 - 3 inch wide metal putty knife, isolate the gum with the attached turf fibers by placing the end of the knife at the base of the affected fiber at a 45 degree angle. Push the gum onto the knife.

#### STEP 2:

Saturate a small area of a clean white terry rag with FGR and apply to the gum resting on the knife surface. Let the solvent penetrate for 1 to 2 minutes to soften the gum, leaving the rag in place. **DO NOT POUR FGR DIRECTLY ON THE GUM, AS THIS MAY DAMAGE THE INFILL AND AFFECT THE BACKING.**

#### STEP 3:

Holding the knife firmly (taking care not to cut the fibers), gently rub the gum up the putty knife surface towards the handle. This will remove the gum from the FieldTurf surface.

Please consult the label on the FieldTurf Gum Remover bottle for important safety information and precautions.

**NOTE:** To place an order for FieldTurf Scrub, FieldTurf Static Conditioner, and/or FieldTurf Gum Remover, please contact our FieldTurf Customer Service Department at 1-800-724-2969 or at [service@fieldturf.com](mailto:service@fieldturf.com)



1L



## PAINTING

### PAINTING ON FIELDTURF'S FIBERS

Before beginning to paint on your field, it is imperative that you contact FieldTurf's Customer Service Department for guidance on specific types of paint to use, recommended suppliers, machines, and proper PSI machine settings.

It should be noted that paint build up over time will affect paint adhesion, aesthetics and possibly drainage, in those areas. It is recommended that paint removal be done approximately after every 5 applications before paint re-application is done. It will be equally important to verify the infill below the surface for paint contamination. This area should be flushed through if necessary. In severe cases, where the infill is totally covered in paint, the infill might have to be removed and replaced.

BELOW IS A LIST OF PAINTING SPECIFICATIONS

#### TYPE OF MACHINE: AIRLESS SPRAYER

PSI: 800-1000 psi for end zones, logos: tip must be handheld 18" above the surface. 700 psi for 4" lines: tip must be held 4" above the surface. It is important to note that the pressure should be adjusted accordingly so that only the fibers are being painted and NOT the infill. Spray angle should be between 45 and 60 degrees.

SPRAY TIP	
415/417	For painting logos and large end zone areas with handheld wand
315/317	For painting 4" lines with airless sprayer lining equipment

#### ANGLE TO SPRAY: 45 TO 60 DEGREES

Recommended Application Temperature: above 50°F ambient (temperature should not fall below 50°F within 24 hours after the application).

**NUMBER OF COATS:** Apply in 2 directions to cover both sides of each blade. Fibers have to be dry before recoating (depending on the climatic conditions). End zones and/or logos may need more than 2 applications. Applying a white primer coat is recommended for logos only.

**TIME TO DRY:** Preferably overnight; otherwise 6 to 8 hours at 70°F and 50% humidity.

**PAINT COVERAGE:** For two medium coats each way: approximately 200 square feet or 600-700 linear feet per gallon based on a 4" wide line.

**REMOVER COVERAGE:** Approximately 500 square feet per gallon or 1500 linear feet based on a 4" wide line.



LIFE EXPECTANCY	OPEN	UNOPENED
Paint	Up to 6 months with lid properly replaced	At least 6 months
Remover	Up to 6 months with lid properly replaced	At least 12 months



## DIRECTIVES FOR THE REMOVAL OF LOGOS, END ZONES AND ALL FIELD MARKINGS

1. First and foremost, the surface should be brushed in both directions to allow the fibers to stand up.
2. Apply removing solution, either pure or diluted, depending on what type of paint you are using (only approved removers should be used based on the paint manufacturer's recommendations – contact FieldTurf Customer Service if you are unsure). Brush in both directions, this will ensure full saturation of the grass fibers. Apply the remover a second time and let stand 10 minutes, depending on the climatic conditions. Remover will dry almost on contact in extremely hot conditions. If this is the case, removal should be attempted in short segments.
3. Use of a broom, brush or any grooming or removing equipment approved for the FieldTurf surface might be necessary.
4. Rinse the surface with clean water to remove any extra paint residue. For best results, use hot water.
5. Leave sufficient time for the surface to dry completely before allowing any activity to resume on your field.
6. The rate of removal may vary due to conditions beyond your control (type of paint, number of coats, exposure, etc). It may be necessary for a second application; if so, repeat the process in the opposite direction.
7. Some infill may be displaced. To avoid this, make sure the brushes used do not penetrate too deep into the infill.
8. Any excess paint will likely be deposited into the infill. Buildup over time will cause the infilled surface to harden. FLUSHING THE SYSTEM WITH WATER (PREFERABLY HOT) IS IMPERATIVE.
9. The use of a paint extracting unit is also very effective to prevent buildup over time. It should be noted that if the above steps are followed your FieldTurf system can be painted multiple times over its life.
10. FieldTurf cannot be responsible for any consequences due to non-compliance of the above directives.



ANY SUBSEQUENT MEASURES NECESSARY TO RESTORE THE INFILLED SYSTEM BACK TO ITS ORIGINAL STATE IS NOT COVERED UNDER OUR WARRANTY AND WOULD BE AT THE OWNER'S EXPENSE.

## SNOW REMOVAL

Generally, the components themselves that make up the FieldTurf system don't freeze, but of course the moisture that seeps into the Infill does. This creates good conditions that allow you to plow it without moving, or removing much Infill. A snow blower may also be used. One of the most important factors in Snow Removal is the Temperature; the ideal climactic conditions for plowing are always below freezing (25F/-5C).

Hopefully the temperature will rise above freezing during the day, and the rest of the remaining snow will melt through, especially if the sun comes out.

Once the snow is removed, if there is only a small crust of ice remaining on the top of the surface, many have successfully used the Rotating Tines on the GroomRight, to break up the ice, although some extra weight might be required on the unit. A "Rotary Brush" (nylon bristles only) such as found on the Lay-Mor can be used for the final touches, but this is a delicate operation, so as to not move or remove too much infill.



Plowing periodically during the winter months is recommended to avoid a large build-up which makes removal more tedious.

Page 14 shows the Direction of Operation for Field Grooming, which would also apply to snow removal. If restrictions prevent you from accumulation on the sidelines, then a "north/south" direction is acceptable, since in any case, a small layer of snow will be left behind.

If chosen, even recommended de-icers should always be tested off the main field of play, to insure the safety of the surface and the lack of residue left behind. Calcium Chloride is preferred over Sodium Chloride, Magnesium Chloride is also acceptable. If you have "Attic Stock", a thin layer of crumb rubber also works.

From experience, there are some things we do know; that a "warm brine" of Calcium Chloride solution is an effective melting solution, but that it does leave a residue, which affects ball handling in football and ball reaction, such as in soccer. Footing can also be slippery, again testing all of the "factors" off the field of play before full field application is recommended.

Aside from any issues with potential corrosion of any exposed metal, Magnesium Chloride should not be harmful to the turf. Also any residues will pick up moisture, which will reduce the abrasive effect; (i.e. regular salt dries to hard abrasive crystals that can scuff the fibers ... magnesium chloride will pick up moisture from the air and will produce less abrasion).

Keep in mind that we do not know the long-term effect to the backing/boating/tuft bind etc., but we do know that no harm comes to the fibers and infill. Our testing is ongoing.

One final thought, is that Mother Nature should provide plenty of rain in the spring to flush these chemicals through the system. It might be a good idea though, when the temperatures remain above freezing for 4-5 days, to water the surface to insure that no residue is left behind.

Typically, the load bearing capacity of the FieldTurf system and sub-base (this should be verified with the Base Contractor) can withstand pressure up to 70 psi (see page 32). Factors to always consider are, that if the weather temperature rises above freezing, and both the FieldTurf and base begin to thaw and are wet, then the PSI is affected by these changes in atmospheric conditions, which is no different than with a natural grass surface.

It is always recommended to test the equipment first on the FieldTurf surface, but off the main field of play itself. For example, test the equipment at the bench areas or D zones where the panels run parallel to the field and usually leave no markings. You will also be going in the direction of the seams, so this should give you a comfort level for adjustments etc.

Your Customer Service Coordinator can be contacted for assistance with snow removal via our FieldCare program (see page 33), if you choose not to do it yourself. They can also assist you with recommended snow removal attachments, if needed.

## VEHICLE CIRCULATION

YOUR FIELDTURF FIELD IS DESIGNED TO ACCOMMODATE VEHICLE LOADS WITHOUT CAUSING DAMAGE TO THE FIELD SURFACE PROVIDED THE FOLLOWING CONDITIONS AND RECOMMENDATIONS ARE FOLLOWED:

- Do not leave vehicles idling or unattended. Heat generated by the exhaust could singe fibers.
- Ensure that the machines being used on the field are not leaking.
- Typically, bases supporting your FieldTurf field are designed for a maximum load-bearing capacity of 70 pounds per square inch (70 psi). Vehicles circulating on your field should conform to this load-bearing capacity limit, unless your base has been specially designed to support heavier loads. Please refer to your internal design criteria to verify the maximum acceptable load your field can accommodate.
- Only vehicles equipped with pneumatic rubber turf tires should be allowed to circulate directly on the field surface.
- Turning of the vehicle on the surface should be done in a wide radius.
- Turning of the vehicle should only be done when the vehicle is in forward motion.
- All vehicles should circulate at slow speeds at all times.
- Abrupt and sudden braking must be avoided.
- Sudden acceleration and spinning of wheels must be avoided.
- Vehicle wheels should be clean at all times to prevent mud or dirt from being deposited on the field surface.
- All vehicles in direct contact with FieldTurf surfaces should be inspected for possible leakage of oil or hydraulic fluids prior to accessing the field.
- In order to avoid rutting of the infill and of the underlying base, circulation of vehicles on outdoor saturated fields must be avoided.
- To protect against heavy and larger sized vehicle circulation, a layer of ¾" thick plywood must be placed over a vinyl tarp covering the field to a minimum distance of 40' to 60' (12 to 20m) and should be installed at all entrance and exit points to the field.
- Please note: The FieldTurf surface should be groomed and swept following heavy traffic.

## HELP

In addition to these guidelines, there are three ways to get answers to any FieldTurf questions you may have:

- 1 – Contact our Customer Service Department at 1-800-724-2969
- 2 – Consult our Maintenance Video
- 3 – Visit [www.fieldturf.com/maintenance](http://www.fieldturf.com/maintenance)
- 4 – Please contact customer service for any hard copies needed.

# FieldTurf® MAINTENANCE PROGRAM

## FIELD CARE

**FieldTurf's FieldCare Maintenance Program will help you maintain performance, enhance the longevity of your field and increase the return on your investment.**

At each visit, certified technicians execute these 5 procedures.

1. Take multiple infill depth measurements to verify surface planarity.
2. Make minor warranted seam and inlay repairs, not to exceed eight (8) repairs.
3. Add light infill to high traffic areas.
4. Power clean field perimeter.
5. Provide a written Pre and Post-Session field report.

### Advanced Care

Advanced Care is ideal for aged surfaces and/or fields with heavy use. It provides deep grooming and fiber rejuvenation in these 5 steps:

- Deep field de-compaction.
- Magnet sweep for metal debris.
- Rotary brushing to raise turf fibers and to deposit any contaminated infill into vibrating screen for debris collection.
- Cleaned infill is then re-distributed back into the field using a weighted power brush and vacuum.
- Vacuuming to remove fine dust and debris from field surface.

### Standard Care

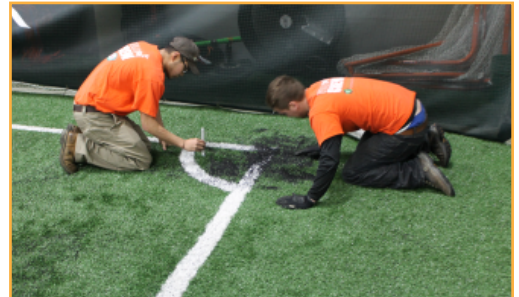
Standard Care provides the 4 basic services for debris removal, field de-compaction and infill redistribution.

- Sweep field for large debris.
- De-compact field at appropriate depth for age of fiber and current field conditions.
- Brush in multi-directions with static brush to redistribute infill.
- Re-sweep the field for fine debris.

### Custom Care

Custom Care is designed by the FieldCare Service Team to fit your specific maintenance needs. This includes 1 to 6 visits per year with a combination of Standard Care and Advanced Care maintenance, along with other custom services, which include:

- Field line striping
- GMAX testing
- Anti-microbial spray
- Anti-static spray
- Infill top dressing and replenishment
- Removal of clay migration
- Snow plowing





# Maintenance Summary Report



## NAME OF FIELD/SITE: \_\_\_\_\_

Time of Arrival: \_\_\_\_\_ Time of Departure: \_\_\_\_\_ Service Visit Date: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Classification of Service: \_\_\_\_\_

Phone #: \_\_\_\_\_ Site Address: \_\_\_\_\_

Billing Address: \_\_\_\_\_ Field Square Footage: \_\_\_\_\_

GMAX: Y \_\_\_\_\_ N \_\_\_\_\_ Primary Sports: \_\_\_\_\_

Service Provider/Technicians: \_\_\_\_\_ Field Fiber Type: \_\_\_\_\_

Fiber Height: \_\_\_\_\_ Install Date: \_\_\_\_\_

Report Submitted by: \_\_\_\_\_ Date of Last FC Service Session: \_\_\_\_\_

(If no date: Please write "NEW FC Customer")

## PRE-FIELD INSPECTION NOTES BY TECHNICIAN (FROM WALKTHROUGH):

## MAINTENANCE SERVICES PROVIDED:

☐ STANDARD CARE

☐ ADVANCED CARE

☐ OTHER \_\_\_\_\_

☐ Aggressive Brushing / Leveling

☐ General Field Sweeping

☐ Anti-Microbial Spray

☐ Standard Infill Decompaction

(Not to exceed 1 inch depth)

☐ Static Brush

☐ Field Metal Magnet Sweep

☐ Anti-Static Spray

☐ Tier 2 Decompaction

(Deep-Tine Decompaction)

☐ Power Static Brushing

☐ Static Drag Mat

☐ Refill Infill in High Traffic Areas

(Rubber/Sand Infill Mix &gt; 250lbs = Additional Charge for Material/Labor).

☐ Power Brush & Vac

☐ Gmax Testing

☐ Total Vegetation Control

(Perimeter edge only)

☐ Infill Cleaning / Sifting / Fiber

Rejuvenation

☐ 3-Step Deep Power Grooming

(Only advanced care)

☐ Power Broom

(Perimeter edges &amp; specialty areas)

## Post Maintenance Field Inspection: Inlays/Seams/Field Markings

Number of minor repairs: Pre-Service Inspection: : \_\_\_\_\_

Number of minor repairs: Post-Service Inspection : \_\_\_\_\_

Qty: # of total repairs: \_\_\_\_\_ Estimated # of linear feet repaired: \_\_\_\_\_

Picture Submission: ☐

## Warranty Billable

Minor inlay and/or seam repairs conducted:

☐ ☐

Turf Replacement:

☐ ☐

## FIELD INSPECTION:

☐ 1. Logo Analysis

☐ 4. Infill - Consistency in Depth

☐ 2. Seam Separation Analysis

☐ 5. Infill - Migration Analysis

☐ 3. Perimeter Anchoring

☐ 6. Inlaid Line Analysis

## POST MAINTENANCE TECHNICIAN NOTES:

## INFILL LEVELS CHECKED PRE MAINTENANCE:

Description 1 2 3 4 5 6 7 8 9 10 AVERAGE

Primary: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ 0

Additional: ☐ ☐ ☐ ☐ Time of Day: \_\_\_\_\_

## INFILL LEVELS CHECKED POST MAINTENANCE:

Description 1 2 3 4 5 6 7 8 9 10 AVERAGE

Primary: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ 0

Additional: ☐ ☐ ☐ ☐ Time of Day: \_\_\_\_\_

Primary: The selection of test point locations will be determined by the primary sport.  
Additional: Locations determined by the secondary sport.

Reviewed by FieldTurf Personnel: \_\_\_\_\_ Date: \_\_\_\_\_

## FREQUENTLY ASKED QUESTIONS

### WHAT ARE THE BEST TYPES OF SHOES TO WEAR ON FIELDTURF?

The superior playing characteristics of your FieldTurf surface are directly associated with correct footwear and include: torque release, surface friction and traction. The best types of shoes are molded cleats or screw-ins (maximum recommended is ½"). The footwear designated for natural grass is easily transferable to use on FieldTurf.

- While use of long steel jagged cleats on FieldTurf will not void the warranty, they are not recommended. Limited use is allowable.
- It is important to note that flat-soled shoes and steel cleats do not result in ultimate athlete performance.
- Metal and aluminum rounded molded cleats are acceptable.
- A complete traction study of footwear on FieldTurf is available upon request.

### WE HAVE HAD SOME VANDALISM ON OUR FIELD, WHAT DO WE DO?

In all cases, photographs should be taken immediately of any vandalism that has taken place. These will be needed for insurance purposes and should also be sent to the FieldTurf Customer Service Department in order to evaluate the scope of the required repairs.

Burn or singe marks should be evaluated immediately. In some cases, a qualified crew might be able to repair these without replacing sections of the turf. In the case of paint vandalism, it will be imperative to remove the paint as soon as possible, as the longer it stays on the surface, especially in the hot sun, the more difficult it becomes to remove.

**Two commercially available removers are safe for use with the FieldTurf system;**

- 1) Graffiti remover by Goof-Off
- 2) Zep Heavy Duty Citrus Degreaser

Both of these are most effective when used in conjunction with warm/hot water.

**A PRESSURE WASHER IS IDEAL WHEN AVAILABLE; A FEW GUIDELINES TO FOLLOW:**

- 1) Apply approved remover first.
- 2) Work it in with a brush, first one way against the fibers, then the other. Hot/warm water can be used on the brush to further activate the remover.
- 3) The pressure washer nozzle should be held no closer than 2' from the grass and at no less than a 45 degree angle.
- 4) Again, going in one direction of the fibers, then back the other way.
- 5) All steps should be repeated if necessary.

It should be noted that in most cases it is not known what kind of paint we are dealing with. The above mentioned removers might not give the results needed. Please contact the FieldTurf Customer Service Department as several paint suppliers also manufacture various removers that are safe on our surface. They are also very helpful and knowledgeable with removal methods and will be a good phone or on-site resource, if needed.

### WE HAVE A SPORTING EVENT ON OUR FIELD WITH NO TIME TO CONFIGURE THE FIELD PROPERLY. CAN WE USE LIME, CHALK, OR TAPE FOR TEMPORARY LINES?

The use of pulverized lime stone such as used on a natural grass field for baseball is not ideal as it tends not to stick to fibers, but simply settle into the infill. Their prolonged use tends to "gum" up the infill and could eventually affect drainage in those areas.

One time use, if time is a constraint and there are no other options, might be permitted. Please contact FieldTurf Customer Service before proceeding.

Testing the chalk off the field of play is ideal, as it helps adjust your flow rates and allows you to apply as little as possible, while still allowing the players and officials to see the lines. Unfortunately, all the tests and attempts that have been done with "tapes" to line fields have not been successful. They are either too tacky, risk pulling out fibers and also risk leaving a residue that has to be taken off with a gum remover or are too flimsy and risk being a tripping hazard.

A chalk paint is ideal for short term use. Please contact the FieldTurf Customer Service Department for a list of recommended suppliers.

### WHAT EQUIPMENT CAN BE USED TO PAINT AND REMOVE PAINT?

A list of recommended painting and paint removal equipment, as well as painting and removal tips and guidelines can be obtained by contacting your FieldTurf Customer Service Department.

## WE USED TO HAVE FIREWORKS ON THE 4TH OF JULY, CAN WE STILL HAVE THEM WITH OUR NEW FIELD?

Whenever possible, direct contact of fireworks should be avoided near our synthetic grass system. However, though some polyethylene fibers could be singed when in contact with live ambers or fireworks, water will immediately alleviate any damage. A fire extinguisher can be used, but water is preferable since it leaves no residue to penetrate the infill, however, either one is fine. Watering the field will certainly help reduce potential damage, however, whenever possible, the field should be covered by a "fire resistant" covering. Contact the Customer Service Department for a list of recommended suppliers.

## CAN A LEAF BLOWER BE USED ON THE FIELD?

Yes, this is an effective method of getting rid of leaves, pine needles, dried sunflower seeds, etc. The blower should be held no closer than 2' from the surface and at a 45 degree angle to avoid displacing any of the infill from the field.

## HOW DOES CLIMATE AFFECT THE FIELDTURF SURFACE I.E. SNOW, RAIN, AND SALT WATER?

Your FieldTurf surface is designed to withstand a wide range of climatic and atmospheric conditions, such as ultraviolet rays (UV), snow, ice, salt water and sea climates without damage. However, it is essential that the field is washed periodically to remove any salt water deposits on the field surface.

## WE SEEM TO HAVE A LOT OF GEESE LANDING ON OUR FIELD WHILE THEY MIGRATE BACK AND FORTH IN THE FALL AND SPRING. WHAT CAN WE DO TO KEEP THEM AWAY?

Several remedies are safe for humans and unpleasant for our feathered friends. Contact our FieldTurf Customer Service Department for further details.

## CAN TRACK AND FIELD EVENTS SUCH AS DISCUS, JAVELIN, SHOTPUT BE HELD ON MY FIELD?

- It should be noted that the use of the discus, shot-put, javelin and hammer will not void the warranty.
- However to avoid any damage to the FieldTurf surface the following guidelines must be implemented:
- The surface should be covered with an appropriate tarp or covering so that the FieldTurf surface is not damaged in any way. An un-infilled piece of FieldTurf also works very well.
- FieldTurf recommends that the landing space be rotated each time to avoid use in a concentrated area.
- Grooming of the infill is recommended after each event to ensure that the infill is redistributed properly.
- The Javelin must be equipped with a rubber tip to avoid damage to the FieldTurf system.
- FieldTurf cannot be responsible for any damages caused to the Field by use of any of the equipment mentioned above.

## CAN WE USE TRAINING EQUIPMENT, SUCH AS BLOCKING SLEDS ON THE FIELD?

Training devices should be used with caution. Though their use does not constitute a breach of your warranty, FieldTurf cannot be responsible for any damage caused by the use of any such training equipment.

Since many manufacturers have developed or modified their Equipment specifically for synthetic systems, it is suggested that they be consulted for their recommendations and guidelines before use.

Our research has yielded some recommended guidelines which include:

- To make use of sleds and various training devices off the main field of play, such as D zones, end zones (if no Inlaid logos appear) and areas away from the main boundaries of play where the panels run parallel to the field and no inlaid markings appear.
- If used on the field of play, it is suggested that it be across the field in the directions that the panels were installed, as opposed to end to end against them.
- It is always recommended to remove the Equipment from the Field after each use.

The same recommendations would apply to the use of "Tire Flipping" as a training aid. Moreover a few specific recommendations would be:

- To make sure that the tires are clean, any dirt will likely get transferred to the turf and Infill.

It is not recommended to use the tires as a "Resistance" tool, by dragging them across the turf. Preliminary research has shown that the friction could possibly damage or even pull out some of the polyethylene fibers.

As in other higher use areas on the field, grooming frequencies might have to be augmented to Groom both the Infill and the fibers.

## **CAN BLEACHING AGENTS BE USED ON FIELDTURF FIELDS?**

Oxidizing agents such as bleaching agents should NOT be used on FieldTurf fields.

## **I SEEM TO HAVE BASE DEPRESSIONS OR DIPS ON MY FIELD, WHAT DO I DO?**

Base depressions or "dips" that form on a field are not unlike potholes on our roads. The sub-base construction is similar in some aspects to road work. It usually consists of 6" to 10" of crushed stone over the existing soil that was graded and compacted. Over time and especially if the soil is of poor quality or unstable, areas may depress.

The unevenness or depression that has formed is a result of the shifting of the base soil below it. Obviously this then causes the turf system to sink. It should be noted that this is not part of the turf system warranty, however, it should be addressed. Contact your base contractor with any sub-base related issues.

## **WHAT DO I DO IF WE SPILL GATORADE ON THE FIELD?**

We recommend that the areas with Gatorade or other drinks/fluids be cleaned as soon as possible with water in order to avoid bugs being attracted to the surface or jerseys becoming stained as a result of the spilled liquid.

## **WHY DOES MY FIELD APPEAR TO BE SLOW IN DRAINING?**

Slow/insufficient drainage can be caused by a wide variety of factors which include, but are not limited to:

- Poor drain base design
- Utilization of incorrect drain base materials
- Improper drain base construction techniques
- Inadequate infrastructure
- Other outside factors

If these factors have been ruled out or do not seem to be a likely contributing factor, it is possible that the slow drainage is a result of surface tension – a natural phenomenon common in the fabric, carpet and outdoor flooring industry. Surface tension is especially common on recently completed fields. In most cases, the problem resolves itself naturally over the 6 week break-in period as the field is played on. In rare cases, the field could be treated with a surfactant and/or degreasing agent to enhance water penetration and eliminate surface tension.

IT SHOULD ALSO BE NOTED THAT SOME "PUDDLING" OR "PONDING" IS PERFECTLY NORMAL IN CERTAIN CIRCUMSTANCES. IN ALMOST ALL CASES, HOWEVER, THE FIELD SHOULD BE FREE AND CLEAR OF ANY STANDING WATER ONCE THE PRECIPITATION HAS STOPPED FOR APPROXIMATELY 30 MINUTES.



## FIELDTURF FIELD SETTLING

**FIELDTURF HAS PROVEN TO BE THE HIGHEST PERFORMING AND THE MOST DURABLE BRAND OF ARTIFICIAL TURF IN THE WORLD. THE FIELDTURF SYSTEM IS AN ENGINEERED PRODUCT CONSISTING OF SPECIALIZED COMPONENTS ALL GEARED TOWARDS MAXIMIZING ATHLETE SAFETY AND FIELD PERFORMANCE.**

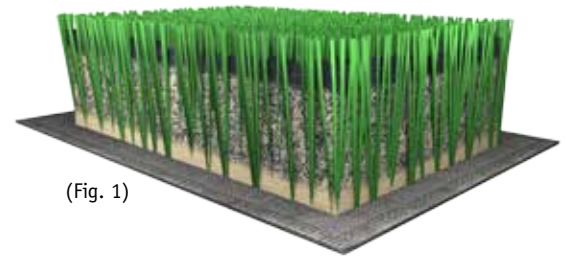
In addition to industry-leading manufacturing and service standards, what sets FieldTurf apart is the patented 9 lb / square foot sand and rubber infill system, along with the world's most durable fiber that is exclusive to FieldTurf.

It is important for field owners to understand what constitutes normal behavior of these vital components over time. Below are the three major stages that a field will go through in order to achieve its optimal level of performance. These three stages are not only normal but a necessary progression in the life of an artificial turf field.

### INITIAL

The field has just been installed. Fibers are upright and infill is slightly higher and looser.

Approximate duration for this stage depending on use and proper maintenance: years 0-1 (Fig. 1)



(Fig. 1)

### SETTLED

Fibers are not as upright and are beginning to layover in order to encapsulate the infill and provide for a more grass-like appearance. The infill height has been lowered and has settled to its ideal level of 3/4" below the tip of the fiber held in an upright position.

Approximate duration for this stage depending on use and proper maintenance: years 2-5 (Fig. 2)

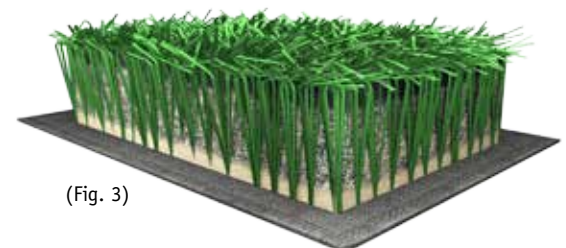


(Fig. 2)

### MATURED

The fibers have laid over and the infill height remains at its ideal level. In these later years, the consistency and durability of the FieldTurf system is brought to the forefront as the product continues to exude ideal levels of safety and performance after heavy use.

Approximate duration for this stage depending on use and proper maintenance: years 6-8+ (Fig. 3)



(Fig. 3)

This image shows a single sheet of white paper with horizontal green ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# FIELDTURF MAINTENANCE GUIDELINES

## Information

7445 Côte-de-Liesse Road, Suite 200  
Montreal, Quebec  
Canada H4T 1G2  
Tel. (800) 724-2969 Fax. (514) 340-9374  
info@fieldturf.com www.fieldturf.com

(072016)

- 20. Adopt a Resolution to amend the City of Milpitas Classification Plan to adjust the Salary Ranges of Unrepresented Police Management and Unrepresented Fire Management classifications and Adopt the Pay Schedule Titled “All Job Classifications/Salary Table”(Staff Contact: Liz Brown, 408-526-3086)**

Recommendations:

1. Adopt a resolution amending the Classification Plan adjusting Salary Ranges for Unrepresented Police Management and specific Unrepresented Fire Management Classifications by 10.69% and adopting the Pay Schedule Titled “All Job Classifications/Salary Table.”
2. Approve salary increases for the Unrepresented Police Management by 10.69%.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt a Resolution to amend the City of Milpitas Classification Plan to adjust the Salary Ranges of Unrepresented Police Management and Unrepresented Fire Management classifications and Adopt the Pay Schedule Titled "All Job Classifications/Salary Table".</b>
<b>Category:</b>	Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Liz Brown, 408/586-3086
<b>Recommendation:</b>	<ol style="list-style-type: none"> <li>1. Adopt a resolution amending the Classification Plan adjusting Salary Ranges for Unrepresented Police Management and specific Unrepresented Fire Management Classifications by 10.69% and adopting the Pay Schedule Titled "All Job Classifications/Salary Table."</li> <li>2. Approve salary increases for the Unrepresented Police Management by 10.69%.</li> </ol>

### **Background:**

On March 19, 2019 the City Council approved amendments to the Classification Plan Salary Ranges for specific classifications within the Unrepresented Police and Fire groups. This action was intended to address salary compaction concerns between the Milpitas Police Officer Association (MPOA) classifications and Police Unrepresented employees as well as to address internal equity concerns between the Unrepresented Police and the Unrepresented Fire classifications. The agenda report for this item acknowledged that staff would be returning to the Council at a future time to comprehensively address the compaction concerns between MPOA and International Association of Firefighters (IAFF) with their respective Unrepresented Police and Unrepresented Fire management classifications. Salary compaction in the Police department was adversely impacting succession planning and needed to be addressed.

As a follow up to the March 2019 item, staff initiated an internal compensation study between Police Lieutenant, the highest paid classification represented by MPOA, and the Unrepresented Police Management classification. Per the MOU with MPOA, Police Lieutenants are eligible to earn up to 36% in special pays as well as earn overtime. When promoted into the unrepresented classifications, Police Lieutenants lose both special pays and overtime.

The current salary ranges of the Unrepresented Police classifications do not compensate for the loss of the special pays and overtime. Unrepresented Police salaries are currently tied to both MPOA and Unrepresented Miscellaneous employees which places Police Captains at 5.4% less for 6 months of the year, and 1.3% less for the other 6 months, compared to the Police Lieutenants who report to

them. Staff also conducted research to compare salaries to other peer agencies. The current salary percentage spread within command staff is currently 5% between classifications.

To ensure there were not any similar issues with the Unrepresented Fire classifications, staff also conducted an internal compensation study. The study compared the highest paid fire suppression classification, Fire Battalion Chief, represented by IAFF, to the Deputy Fire Chief, an Unrepresented Fire Management classification, and the highest paid fire prevention classification, Fire Prevention Inspector and Hazardous Material Inspector represented by IAFF compared to the Assistant Fire Marshal. The analysis did not identify any compaction issues associated with these classifications. Staff also conducted research to compare salaries to other cities in the Unrepresented Fire group. Staff identified an anomaly related to the Chief Fire Enforcement Officer position, which appears to be a classification that is less common and unique to the City of Milpitas.

### **Analysis:**

The internal analysis has highlighted key issues within the Police compensation structure. The primary reason for compaction is the amount of the premium pays afforded to MPOA represented classifications. Police Lieutenants receive up to 36.1% additional premium pays, on top of base salary, for non-assignment specific duties. These additional pays create a significant compaction issue by creating a reverse direct report differential between the classifications of Police Lieutenant (MPOA) and Police Captain (Unrepresented Police). On average, the Unrepresented Police Captain earns up to 5.4% less than the Police Lieutenant reporting to them, without factoring in the loss of overtime pay. This pay inequity creates a disincentive for represented staff to promote to command staff and can also result in the inability to develop succession planning from within. In addition, it also adversely impacts department morale and critical public safety services to the community.

In 2018, the Unrepresented Police classifications, which include Police Captain, Assistant Chief of Police and Chief of Police, as well as the Unrepresented Fire classifications, which include Assistant Fire Marshal, Chief Fire Enforcement Officer, Deputy Fire Chief and Fire Chief, all received a 3% salary adjustment. Prior to this adjustment, they did not receive salary increases for at least four (4) years since 2014. Since the POA and IAFF salary adjustments are increasing at a higher percentage rate compared to the Unrepresented Police and Unrepresented Fire Management classifications, the salary ranges have been narrowing between the represented and unrepresented classifications which has ultimately created compaction.

**Staff recommends adjusting the salary ranges and salaries by 10.69% for the Police Captain, Assistant Chief of Police and Chief of Police.** This recommended increase would result in a 5% direct report differential on top of the 36.1% MPOA premium pays. It is also recommended that the salaries for Unrepresented Police be tied to MPOA in order to avoid similar compaction issues in the future.

Although there was no compaction between the classifications studied in the Fire department, staff recommends continuing to maintain internal equity between the Police Chief and Fire Chief and the Deputy Fire Chief and Police Captain classifications, and to maintain the current salary spread between the Assistant Fire Marshal and the Deputy Fire Chief/Fire Marshal.

**Staff recommends amending the salary ranges by 10.69% for the following classifications: Assistant Fire Marshal, Deputy Fire Chief and Fire Chief.** It is also recommended that the salaries for Unrepresented Fire be tied to IAFF in order to avoid similar compaction issues in the future.

Since for Fire management classifications there are no compaction issues similar to Police management classifications, no salary adjustments are recommended at this time. Individual salary

increases for the incumbents in these classifications will be considered upon merit or promotion/appointment.

As stated above, staff identified an anomaly related to the Chief Fire Enforcement Officer position, which appears to be a classification title that is less common in the industry and more unique to the City of Milpitas. Therefore, staff has already initiated a classification and compensation study for this position. The City also received a letter dated February 27, 2020 from the law office of Louis D. Silver related to forming a potential group to represent some Fire staff (see attached). Staff will be working with Fire staff and their attorney to evaluate this request; however, it is recommended that the salary range adjustments move forward, in order to maintain internal equity between Police and Fire command staff.

Due to negotiations with two separate bargaining groups, salary ranges will not be exact; however, they should be in proximate, in order to maintain the equity within the ranks as well as between Police and Fire Unrepresented classifications it is recommended that the following proposed monthly salary ranges be approved:

	<b>Current Bottom Monthly Salary</b>	<b>Current Top Monthly Salary</b>	<b>Percent Increase</b>	<b>Proposed Bottom Monthly Salary</b>	<b>Proposed Top Monthly Salary</b>	<b>Differential</b>
<b>Chief of Police</b>	\$16,346.05	\$22,884.51	10.69%	\$18,093.44	\$25,330.86	N/A
<b>Asst Chief of Police</b>	\$15,568.11	\$21,795.37	10.69%	\$17,232.34	\$24,125.30	5%
<b>Police Captain</b>	\$14,826.24	\$20,756.67	10.69%	\$16,411.17	\$22,975.56	5%
<b>Fire Chief</b>	\$16,346.05	\$22,884.51	10.69%	\$18,093.44	\$25,330.86	N/A
<b>Deputy Fire Chief</b>	\$14,826.20	\$20,756.67	10.69%	\$16,411.12	\$22,975.56	10.25%
<b>Asst Fire Marshal</b>	\$11,765.97	\$16,472.37	10.69%	\$13,023.75	\$18,233.27	26.01%

### **Policy Alternatives:**

**Alternative 1:** Do not approve staff recommendations to adjust salary ranges and salaries for Unrepresented Police positions

Pros: No increase in salary expenditures.

Cons: Salary compaction will occur and there will not be an equitable salary range separation between Job Family Classifications within the Represented and Unrepresented Police. It will be difficult to promote, recruit or hire into the Unrepresented Police and Fire classifications due to less desirable salaries along with associated impact to department morale.

Reason not recommended: The City is motivated to continue to provide internal candidates an opportunity to promote from within. If the compaction issue between the MPOA and the Unrepresented

Police is not addressed, there will be no financial incentive for represented classifications to pursue promotional opportunities and the City may lose experienced staff which could ultimately impact the quality of public safety services to the community.

**Alternative 2:** Do not approve staff recommendations to adjust salary ranges for Unrepresented Fire positions

Pros: Reduce additional potential future salary expenditures. Deferring action on this recommendation will allow staff additional time to evaluate any potential implications of a recently submitted letter regarding potential representation for some Fire staff.

Cons: The City will not be able to maintain internal salary equity between the Unrepresented Police and Fire Classifications.

Reason not recommended: This action would be counter to previous Council direction to maintain internal equity between the Unrepresented Police and Fire Management classifications. Staff believes that any future actions related to the letter about potential representation for some Fire staff could be addressed separately.

**Fiscal Impact:**

Adjusting the salary ranges and salaries for three (3) Police Captains, one (1) Assistant Chief of Police and one (1) Chief of Police by 10.69% to allow for a 5% spread between each classification will result in total General Fund impact of \$71,856 for the remainder of FY 2019-20 and \$293,998 (This includes the 5% COLA in January 2021) for FY 2020-21. The cost for FY 2019-20 will be absorbed within existing departmental appropriations. The increased cost for FY 2020-21 will be included in the development of the FY 2020-21 Proposed Budget. There's no immediate impact for adjusting the Fire management classification salary ranges because the incumbents' salaries will not be increased at this time. Any future increases related to merit will be incorporated in the developments of future budgets.

**California Environmental Quality Act:**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act pursuant to CEQA Guidelines section 15378(b)(5) in that it is a government organizational or administrative activity that will not result in direct or indirect changes in the environment.

**Recommendation:**

1. Adopt a resolution amending the Classification Plan adjusting Salary Ranges for Unrepresented Police Management and specific Unrepresented Fire Management Classifications by 10.69% and adopting the Pay Schedule Titled "All Job Classifications/Salary Table."
2. Approve salary increases for the Unrepresented Police Management by 10.69%.

**Attachments:**

Resolution to Amend the Classification Plan Salary Ranges  
Job Classifications/Salary Table



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING  
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ADJUST SALARY RANGES  
AND APPROVE AND ADOPT THE PAY SCHEDULE TITLED “ALL JOB  
CLASSIFICATIONS/SALARY TABLE,”**

**WHEREAS**, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

**WHEREAS**, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

**WHEREAS**, the City is required to publish publicly available approved and adopted pay schedule(s) for all positions within the Classification Plan pursuant to the California Code of Regulations, 2 CCR §570.5.

**NOW THEREFORE**, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby further amended effective March 3, 2020, as set forth below.

**A. ADJUST THE SALARY RANGES FOR THE FOLLOWING  
CLASSIFICATIONS:**

Title	Existing Monthly Range	Proposed Monthly Range
Chief of Police	\$16,346.05 - \$22,884.51	\$18,093.44 - \$25,330.86
Asst Chief of Police	\$15,568.11 - \$21,795.37	\$17,232.34 - \$24,125.30
Police Captain	\$14,826.24 - \$20,756.67	\$16,411.17 - \$22,975.56
Fire Chief	\$16,346.05 - \$22,884.51	\$18,093.44 - \$25,330.86
Deputy Fire Chief	\$14,826.20 - \$20,756.67	\$16,411.12 - \$22,975.56
Asst Fire Marshal	\$11,765.97 - \$16,472.37	\$13,023.75 - \$18,233.27

**B. APPROVE AND ADOPT THE PAY SCHEDULE “ALL JOB  
CLASSIFICATIONS/SALARY TABLE EFFECTIVE March 3, 2020”:**

A pay schedule, that includes but is not limited to Classification (Position), Title, Payrate; Hourly, Bi-Weekly, Monthly and Annual Wage, is attached hereto as **Exhibit A** (“The City of Milpitas All Job Classifications/Salary Table effective 03-03-2020”).

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, City Clerk

\_\_\_\_\_  
Rich Tran, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

**CITY OF MILPITAS - HUMAN RESOURCES**  
**All Job Classifications/Salary Table Effective 01/06/2020**

<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
5	Accountant	500	2101	A	43.41	3473.02	7524.88	90298.52
				B	45.58	3646.64	7901.05	94812.64
				C	47.85	3828.25	8294.54	99534.50
				D	50.26	4020.56	8711.21	104534.56
				E	52.76	4220.86	9145.20	109742.36
5	Accounting Technician I	513	6104	A	28.27	2261.81	4900.59	58807.06
				B	29.69	2374.92	5145.66	61747.92
				C	31.17	2493.67	5402.95	64835.42
				D	32.73	2618.36	5673.11	68077.36
				E	34.37	2749.27	5956.75	71481.02
5	Accounting Technician II	514	6105	A	31.10	2487.98	5390.62	64687.48
				B	32.66	2612.41	5660.22	67922.66
				C	34.29	2743.04	5943.25	71319.04
				D	36.00	2880.22	6240.48	74885.72
				E	37.80	3024.16	6552.35	78628.16
8	Administrative Analyst I	801	2102	A	38.84	3106.99	6731.81	80781.74
				B				
				C				
				D				
				E	51.13	4090.15	8861.99	106343.90
8	Administrative Analyst II	802	2103	A	42.89	3431.31	7434.51	89214.06
				B				
				C				
				D				
				E	56.45	4516.39	9785.51	117426.14
8	Administrative Assistant	828	6111	A	37.05	2964.15	6422.33	77067.90
				B	38.90	3112.36	6743.45	80921.36
				C	40.85	3268.00	7080.67	84968.00
				D	42.89	3431.37	7434.63	89215.62
				E	45.04	3602.93	7806.35	93676.18
7	Adult Crossing Guard	725	8401	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	17.98	1438.40	3116.53	37398.40

\*\*Note Chief of Police, Assistant Chief of Police, Police Captain, Fire Chief, Deputy Fire Chief, and Assistant Fire Marshal change effective 03/03/2020

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<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
7	Adult Crossing Guard Superviso	720	8402	A	17.25	1380.00	2990.00	35880.00
				B				
				C				
				D				
				E	20.66	1652.80	3581.07	42972.80
6**	Assistant Chief of Police	649	1405	A	99.42	7953.39	17232.34	206788.08
				B				
				C				
				D				
				E	139.18	11134.75	24125.30	289503.60
6	Assistant City Engineer	639	1205	A	68.30	5464.20	11839.10	142069.20
				B				
				C				
				D				
				E	95.62	7649.88	16574.74	198896.88
6	Assistant City Manager	666	1104	A	90.99	7279.32	15771.86	189262.32
				B				
				C				
				D				
				E	127.39	10191.06	22080.63	264967.56
5	Assistant Civil Engineer	502	2201	A	47.04	3762.96	8153.08	97836.96
				B	49.39	3951.11	8560.74	102728.86
				C	51.86	4148.64	8988.72	107864.64
				D	54.45	4356.11	9438.24	113258.86
				E	57.17	4573.93	9910.18	118922.18
6	Assistant Director of Finance	669	1109	A	65.48	5238.57	11350.24	136202.82
				B				
				C				
				D				
				E	91.68	7334.17	15890.70	190688.42
6**	Assistant Fire Marshal	632	2501	A	75.14	6010.96	13023.75	156285.00
				B				
				C				
				D				
				E	105.19	8415.36	18233.27	218799.24

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<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
5	Assistant Planner	503	2801	A	45.10	3608.18	7817.72	93812.68
				B	47.36	3788.68	8208.81	98505.68
				C	49.72	3977.43	8617.77	103413.18
				D	52.20	4176.26	9048.56	108582.76
				E	54.81	4385.16	9501.18	114014.16
7	Assistant Pool Manager	709	5609	A	17.00	1360.00	2946.67	35360.00
				B				
				C				
				D				
				E	23.80	1904.00	4125.33	49504.00
2	Assistant Water Operator	221	7212	A	37.95	2846.52	6167.46	74009.52
				B	39.85	2988.85	6475.84	77710.10
				C	41.84	3138.29	6799.63	81595.54
				D	43.94	3295.19	7139.58	85674.94
				E	46.13	3459.97	7496.60	89959.22
2	Assistant Water Operator - 40	226	8611	A	37.95	3036.03	6578.06	78936.78
				B	39.85	3188.14	6907.64	82891.64
				C	41.84	3347.24	7252.35	87028.24
				D	43.94	3515.08	7616.01	91392.08
				E	46.13	3690.80	7996.73	95960.80
5	Associate Civil Engineer	504	2202	A	54.09	4327.38	9375.99	112511.88
				B	56.80	4543.78	9844.86	118138.28
				C	59.64	4770.98	10337.12	124045.48
				D	62.62	5009.52	10853.96	130247.52
				E	65.75	5260.02	11396.71	136760.52
5	Associate Planner	505	2802	A	51.86	4148.76	8988.98	107867.76
				B	54.46	4356.75	9439.63	113275.50
				C	57.19	4574.82	9912.11	118945.32
				D	60.04	4802.96	10406.41	124876.96
				E	63.04	5043.02	10926.54	131118.52
8	Budget Manager	839	1115	A	56.61	4529.04	9812.93	117755.16
				B				
				C				
				D				
				E	74.52	5961.54	12916.67	155000.04

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6	Building & Housing Director	658	1802	A	79.14	6330.89	13716.93	164603.14
				B				
				C				
				D				
				E	110.79	8863.25	19203.71	230444.50
8	Building Inspection Manager	848	3809	A	58.98	4718.20	10222.77	122673.20
				B				
				C				
				D				
				E	71.69	5735.05	12425.94	149111.30
7	Building Inspector Apprentice	770	8610	A	28.00	2240.00	4853.33	58240.00
				B	0.00	0.00	0.00	0.00
				C	0.00	0.00	0.00	0.00
				D	0.00	0.00	0.00	0.00
				E	35.00	2800.00	6066.67	72800.00
6	Building Official	676	1804	A	69.61	5568.75	12065.63	144787.50
				B				
				C				
				D				
				E	97.45	7796.25	16891.88	202702.50
5	Building Permit Technician	508	5801	A	34.44	2755.32	5969.86	71638.32
				B	36.17	2893.39	6269.01	75228.14
				C	37.98	3038.55	6583.53	79002.30
				D	39.87	3189.90	6911.45	82937.40
				E	41.87	3349.23	7256.67	87079.98
5	Building/NP Inspector	507	3801	A	45.65	3652.03	7912.73	94952.78
				B	47.93	3834.66	8308.43	99701.16
				C	50.33	4026.36	8723.78	104685.36
				D	52.85	4227.70	9160.02	109920.20
				E	55.49	4439.06	9617.96	115415.56
8	Buyer	803	2106	A	38.49	3078.83	6670.80	80049.58
				B				
				C				
				D				
				E	50.66	4052.69	8780.83	105369.94

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5	Case Manager	544	5612	A	30.86	2468.78	5349.02	64188.28
				B				
				C				
				D				
				E	38.51	3080.99	6675.48	80105.74
6	Chief Fire Enforcement Officer	656	1505	A	65.62	5249.81	11374.59	136495.06
				B				
				C				
				D				
				E	91.87	7349.73	15924.42	191092.98
6**	Chief of Police	650	1402	A	104.39	8350.82	18093.44	217121.28
				B				
				C				
				D				
				E	146.14	11691.17	25330.86	303970.32
6	CIP Manager	642	2211	A	60.13	4810.62	10423.01	125076.12
				B				
				C				
				D				
				E	84.19	6735.40	14593.37	175120.40
6	City Clerk	605	1101	A	60.17	4813.80	10429.90	125158.80
				B				
				C				
				D				
				E	84.25	6740.09	14603.53	175242.34
6	City Council	699	1107	A	104.35	417.40	904.37	10852.40
				B				
				C				
				D				
				E	130.47	521.88	1130.74	13568.88
6	City Manager	697	1102	A	143.27	11461.54	24833.34	298000.04
				B				
				C				
				D				
				E	143.27	11461.54	24833.34	298000.04

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5	Code Enforcement Officer	515	5804	A	39.92	3193.22	6918.64	83023.72
				B	41.91	3352.93	7264.68	87176.18
				C	44.02	3521.30	7629.48	91553.80
				D	46.22	3697.35	8010.92	96131.10
				E	48.53	3882.09	8411.19	100934.34
6	Comm Svc Engmt & Incl Admin	659	1121	A	62.09	4967.31	10762.51	129150.06
				B				
				C				
				D				
				E	86.93	6954.23	15067.50	180809.98
4	Communications Dispatch Superv	456	6409	A	53.74	4299.33	9315.22	111782.58
				B	56.43	4514.29	9780.96	117371.54
				C	59.25	4740.02	10270.04	123240.52
				D	62.21	4977.02	10783.54	129402.52
				E	65.32	5225.88	11322.74	135872.88
4	Communications Dispatcher	455	6408	A	46.53	3722.52	8065.46	96785.52
				B	48.86	3908.62	8468.68	101624.12
				C	51.30	4104.04	8892.09	106705.04
				D	53.87	4309.21	9336.62	112039.46
				E	56.56	4524.68	9803.47	117641.68
5	Community Services Officer	551	5807	A	38.19	3055.21	6619.62	79435.46
				B	40.10	3207.97	6950.60	83407.22
				C	42.10	3368.37	7298.13	87577.62
				D	44.21	3536.78	7663.02	91956.28
				E	46.42	3713.64	8046.22	96554.64
8	Confidential Fiscal Asst II	805	6121	A	31.66	2532.82	5487.78	65853.32
				B	33.24	2659.43	5762.10	69145.18
				C	34.91	2792.40	6050.20	72602.40
				D	36.65	2932.02	6352.71	76232.52
				E	38.48	3078.63	6670.37	80044.38
8	Crime Analyst	809	2105	A	46.49	3719.36	8058.61	96703.36
				B				
				C				
				D				
				E	61.20	4895.82	10607.61	127291.32

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8	Customer Services Supervisor	847	2127	A	45.08	3606.56	7814.21	93770.56
				B				
				C				
				D				
				E	59.34	4747.03	10285.23	123422.78
8	Deputy City Clerk	835	6102	A	44.27	3541.63	7673.53	92082.38
				B				
				C				
				D				
				E	53.81	4304.87	9327.22	111926.62
6	Deputy City Manager	672	1119	A	89.17	7133.73	15456.42	185476.98
				B				
				C				
				D				
				E	124.79	9983.08	21630.01	259560.08
6**	Deputy Fire Chief	633	1504	A	94.68	7574.36	16411.12	196933.44
				B				
				C				
				D				
				E	132.55	10604.10	22975.56	275706.72
6	Deputy Public Works Director	654	1207	A	70.19	5615.48	12166.87	146002.48
				B				
				C				
				D				
				E	98.27	7861.68	17033.64	204403.68
6	Dir of Recr & Community Svcs	655	1208	A	77.50	6199.79	13432.88	161194.54
				B				
				C				
				D				
				E	108.71	8696.62	18842.68	226112.12
8	Economic Development Coord	852	8623	A	48.85	3908.23	8467.83	101613.98
				B				
				C				
				D				
				E	60.58	4846.15	10499.99	125999.90

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6	Economic Development Director	653	1206	A	72.79	5823.47	12617.52	151410.22
				B				
				C				
				D				
				E	101.91	8152.84	17664.49	211973.84
6	Economic Development Manager	611	1203	A	58.57	4685.48	10151.87	121822.48
				B				
				C				
				D				
				E	76.17	6093.93	13203.51	158442.18
8	Economic Development Spec	850	8606	A	46.52	3721.81	8063.92	96767.06
				B				
				C				
				D				
				E	56.16	4492.59	9733.94	116807.34
5	Electrical/Building Inspector	511	3802	A	47.93	3834.65	8308.41	99700.90
				B	50.33	4026.36	8723.78	104685.36
				C	52.85	4227.69	9160.00	109919.94
				D	55.49	4439.06	9617.96	115415.56
				E	58.26	4661.02	10098.88	121186.52
8	Emergency Services Coordinator	836	2502	A	51.40	4111.99	8909.31	106911.74
				B				
				C				
				D				
				E	67.65	5411.93	11725.85	140710.18
6	Employee Relations Officer	677	1209	A	60.31	4825.16	10454.51	125454.16
				B				
				C				
				D				
				E	84.44	6755.21	14636.29	175635.46
5	Engineering Aide	512	3201	A	37.41	2992.51	6483.77	77805.26
				B	39.28	3142.14	6807.97	81695.64
				C	41.24	3299.24	7148.35	85780.24
				D	43.30	3464.18	7505.72	90068.68
				E	45.47	3637.39	7881.01	94572.14

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6	Engineering Director/City Eng	606	1201	A	79.14	6330.89	13716.93	164603.14
				B				
				C				
				D				
				E	110.79	8863.25	19203.71	230444.50
5	Engineering Permit Technician	540	2210	A	33.67	2693.78	5836.52	70038.28
				B	35.36	2828.48	6128.37	73540.48
				C	37.12	2969.89	6434.76	77217.14
				D	38.98	3118.36	6756.45	81077.36
				E	40.93	3274.29	7094.29	85131.54
1	Entry Firefighter	112	4510	A	33.34	3734.03	8090.40	97084.78
				B	34.67	3883.39	8414.01	100968.14
				C				
				D				
				E				
1	Entry Firefighter/Paramedic	113	4511	A	37.34	4182.11	9061.24	108734.86
				B	38.83	4349.41	9423.72	113084.66
				C				
				D				
				E				
1	Entry Level Fire Inspector	114	3508	A	40.69	3255.52	7053.63	84643.52
				B	42.73	3418.30	7406.32	88875.80
				C	44.87	3589.22	7776.64	93319.72
				D	47.11	3768.68	8165.47	97985.68
				E	49.01	3921.11	8495.74	101948.86
8	Envir & Regulatory Comply Spec	851	8624	A	49.65	3972.16	8606.35	103276.16
				B				
				C				
				D				
				E	65.36	5228.51	11328.44	135941.26
5	Environmental Inspector	553	2213	A	47.93	3834.65	8308.41	99700.90
				B	50.33	4026.38	8723.82	104685.88
				C	52.85	4227.71	9160.04	109920.46
				D	55.49	4439.09	9618.03	115416.34
				E	58.26	4661.02	10098.88	121186.52

\*\*Note Chief of Police, Assistant Chief of Police, Police Captain, Fire Chief, Deputy Fire Chief, and Assistant Fire Marshal change effective 03/03/2020

## All Job Classifications/Salary Table Effective 01/06/2020

<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
2	Equip Maint Worker I - 40	227	8612	A	34.72	2777.45	6017.81	72213.70
				B	36.44	2914.92	6315.66	75787.92
				C	38.26	3060.92	6631.99	79583.92
				D	40.18	3214.60	6964.97	83579.60
				E	42.19	3375.11	7312.74	87752.86
2	Equip Maint Worker II - 40	228	8613	A	38.18	3054.08	6617.17	79406.08
				B	40.09	3206.93	6948.35	83380.18
				C	42.09	3367.43	7296.10	87553.18
				D	44.21	3536.48	7662.37	91948.48
				E	46.42	3713.23	8045.33	96543.98
2	Equip Maint Worker III - 40	229	8614	A	43.01	3440.86	7455.20	89462.36
				B	45.17	3613.33	7828.88	93946.58
				C	47.43	3794.35	8221.09	98653.10
				D	49.80	3983.90	8631.78	103581.40
				E	52.30	4183.69	9064.66	108775.94
2	Equipment Maint. Worker I	200	7202	A	34.50	2587.74	5606.77	67281.24
				B	36.23	2717.13	5887.12	70645.38
				C	38.04	2853.01	6181.52	74178.26
				D	39.94	2995.66	6490.60	77887.16
				E	41.94	3145.43	6815.10	81781.18
2	Equipment Maint. Worker II	201	7203	A	37.95	2846.52	6167.46	74009.52
				B	39.85	2988.85	6475.84	77710.10
				C	41.84	3138.29	6799.63	81595.54
				D	43.94	3295.19	7139.58	85674.94
				E	46.13	3459.97	7496.60	89959.22
2	Equipment Maint. Worker III	202	7204	A	42.76	3207.26	6949.06	83388.76
				B	44.90	3367.57	7296.40	87556.82
				C	47.15	3535.97	7661.27	91935.22
				D	49.50	3712.76	8044.31	96531.76
				E	51.98	3898.42	8446.58	101358.92
8	Executive Assistant	812	6117	A	40.75	3260.10	7063.55	84762.60
				B	42.79	3423.12	7416.76	89001.12
				C	44.93	3594.28	7787.61	93451.28
				D	47.17	3773.98	8176.96	98123.48
				E	49.53	3962.69	8585.83	103029.94

\*\*Note Chief of Police, Assistant Chief of Police, Police Captain, Fire Chief, Deputy Fire Chief, and Assistant Fire Marshal change effective 03/03/2020

**CITY OF MILPITAS - HUMAN RESOURCES**  
**All Job Classifications/Salary Table Effective 01/06/2020**

<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
6	Finance Director	627	1103	A	79.48	6358.38	13776.49	165317.88
				B				
				C				
				D				
				E	111.26	8901.03	19285.57	231426.78
6	Finance Manager	647	1116	A	56.09	4487.46	9722.83	116673.96
				B				
				C				
				D				
				E	78.53	6282.48	13612.04	163344.48
5	Finance Technician	501	5101	A	34.21	2736.92	5929.99	71159.92
				B	35.92	2873.73	6226.42	74716.98
				C	37.72	3017.43	6537.76	78453.18
				D	39.60	3168.28	6864.61	82375.28
				E	41.58	3326.69	7207.83	86493.94
8	Financial Analyst I	844	2125	A	36.26	2901.07	6285.65	75427.82
				B				
				C				
				D				
				E	47.73	3818.65	8273.74	99284.90
8	Financial Analyst II	845	2126	A	40.05	3203.98	6941.96	83303.48
				B				
				C				
				D				
				E	52.72	4217.41	9137.72	109652.66
1	Fire Battalion Chief	153	2508	A	50.43	5647.67	12236.62	146839.42
				B				
				C				
				D				
				E	70.60	7906.74	17131.27	205575.24
1	Fire Battalion Chief - 40	154	2509	A	70.60	5647.67	12236.62	146839.42
				B				
				C				
				D				
				E	98.83	7906.74	17131.27	205575.24

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1	Fire Captain	100	2504	A	44.13	4942.68	10709.14	128509.68
				B	46.28	5183.64	11231.22	134774.64
				C	48.54	5436.65	11779.41	141352.90
				D	50.91	5702.28	12354.94	148259.28
				E	53.40	5981.22	12959.31	155511.72
1	Fire Captain - 40	108	2507	A	61.78	4942.68	10709.14	128509.68
				B	64.80	5183.64	11231.22	134774.64
				C	67.96	5436.65	11779.41	141352.90
				D	71.28	5702.28	12354.94	148259.28
				E	74.77	5981.22	12959.31	155511.72
6**	Fire Chief	630	1502	A	104.39	8350.82	18093.44	217121.28
				B				
				C				
				D				
				E	146.14	11691.17	25330.86	303970.32
1	Fire Engineer	102	4501	A	38.91	4358.46	9443.33	113319.96
				B	40.81	4570.21	9902.12	118825.46
				C	42.79	4792.52	10383.79	124605.52
				D	44.87	5025.94	10889.54	130674.44
				E	47.06	5271.04	11420.59	137047.04
1	Fire Engineer/Paramedic	151	4505	A	43.45	4866.58	10544.26	126531.08
				B	45.57	5103.77	11058.17	132698.02
				C	47.79	5352.75	11597.63	139171.50
				D	50.13	5614.15	12163.99	145967.90
				E	52.58	5888.68	12758.81	153105.68
1	Fire Prevention Inspector	106	3501	A	62.39	4990.89	10813.60	129763.14
				B	65.43	5234.26	11340.90	136090.76
				C	68.62	5489.78	11894.52	142734.28
				D	71.98	5758.07	12475.82	149709.82
				E	75.50	6039.78	13086.19	157034.28
1	Fire Protection Engineer	110	3507	A	62.39	4990.89	10813.60	129763.14
				B	65.43	5234.26	11340.90	136090.76
				C	68.62	5489.78	11894.52	142734.28
				D	71.98	5758.07	12475.82	149709.82
				E	75.50	6039.78	13086.19	157034.28

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**CITY OF MILPITAS - HUMAN RESOURCES**  
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<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
1	Firefighter	103	4502	A	36.37	4073.45	8825.81	105909.70
				B	38.13	4270.87	9253.55	111042.62
				C	39.98	4478.23	9702.83	116433.98
				D	41.93	4695.97	10174.60	122095.22
				E	43.97	4924.50	10669.75	128037.00
1	Firefighter Trainee	109	4509	A	44.88	3590.42	7779.24	93350.92
				B	44.88	3590.42	7779.24	93350.92
				C	44.88	3590.42	7779.24	93350.92
				D	44.88	3590.42	7779.24	93350.92
				E	44.88	3590.42	7779.24	93350.92
1	Firefighter/Paramedic	104	4503	A	40.60	4547.38	9852.66	118231.88
				B	42.58	4768.46	10331.66	123979.96
				C	44.65	5000.72	10834.89	130018.72
				D	46.83	5244.52	11363.13	136357.52
				E	49.11	5500.58	11917.92	143015.08
1	Firefighter/Paramedic Trainee	107	4504	A	50.27	4021.26	8712.73	104552.76
				B	50.27	4021.26	8712.73	104552.76
				C	50.27	4021.26	8712.73	104552.76
				D	50.27	4021.26	8712.73	104552.76
				E	50.27	4021.26	8712.73	104552.76
7	Fitness Instructor	713	5620	A	35.00	2800.00	6066.67	72800.00
				B				
				C				
				D				
				E	75.00	6000.00	13000.00	156000.00
2	Fleet Maint Worker I -40	230	8615	A	33.14	2651.40	5744.70	68936.40
				B	34.80	2784.27	6032.59	72391.02
				C	36.54	2923.26	6333.73	76004.76
				D	38.37	3069.25	6650.04	79800.50
				E	40.29	3223.11	6983.40	83800.86
2	Fleet Maint Worker II - 40	231	8616	A	36.45	2916.27	6318.59	75823.02
				B	38.28	3062.25	6634.88	79618.50
				C	40.19	3215.24	6966.35	83596.24
				D	42.20	3376.09	7314.86	87778.34
				E	44.31	3544.81	7680.42	92165.06

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<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
2	Fleet Maint Worker III -40	232	8617	A	41.93	3354.24	7267.52	87210.24
				B	44.03	3522.09	7631.19	91574.34
				C	46.22	3697.79	8011.88	96142.54
				D	48.53	3882.23	8411.50	100937.98
				E	50.96	4077.18	8833.89	106006.68
2	Fleet Maintenance Worker I	213	7207	A	33.14	2485.69	5385.66	64627.94
				B	34.80	2609.94	5654.87	67858.44
				C	36.54	2740.47	5937.69	71252.22
				D	38.37	2877.44	6234.45	74813.44
				E	40.28	3021.33	6546.22	78554.58
2	Fleet Maintenance Worker II	214	7208	A	36.46	2734.27	5924.25	71091.02
				B	38.28	2870.94	6220.37	74644.44
				C	40.19	3014.53	6531.48	78377.78
				D	42.20	3165.25	6858.04	82296.50
				E	44.31	3323.45	7200.81	86409.70
2	Fleet Maintenance Worker III	215	7209	A	41.93	3144.38	6812.82	81753.88
				B	44.02	3301.58	7153.42	85841.08
				C	46.22	3466.63	7511.03	90132.38
				D	48.53	3639.96	7886.58	94638.96
				E	50.96	3822.02	8281.04	99372.52
5	GIS Technician	552	2212	A	47.04	3762.96	8153.08	97836.96
				B	49.39	3951.11	8560.74	102728.86
				C	51.86	4148.67	8988.78	107865.42
				D	54.45	4356.09	9438.19	113258.34
				E	57.17	4573.95	9910.23	118922.70
1	Hazardous Materials Inspector	105	3502	A	62.39	4990.89	10813.60	129763.14
				B	65.43	5234.26	11340.90	136090.76
				C	68.62	5489.78	11894.52	142734.28
				D	71.98	5758.07	12475.82	149709.82
				E	75.50	6039.78	13086.19	157034.28
8	Housing & Neigh Svcs Manager	849	2812	A	49.79	3983.57	8631.07	103572.82
				B				
				C				
				D				
				E	65.55	5243.79	11361.55	136338.54

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6	Housing Authority Adminr	673	1120	A	58.56	4684.62	10150.01	121800.12
				B				
				C				
				D				
				E	81.98	6558.43	14209.93	170519.18
8	Human Resources Analyst I	843	2124	A	38.84	3106.99	6731.81	80781.74
				B				
				C				
				D				
				E	51.13	4090.15	8861.99	106343.90
8	Human Resources Analyst II	842	2123	A	42.89	3431.31	7434.51	89214.06
				B				
				C				
				D				
				E	56.45	4516.39	9785.51	117426.14
8	Human Resources Assistant	846	2108	A	27.67	2213.25	4795.38	57544.50
				B	29.05	2323.84	5034.99	60419.84
				C	30.50	2440.03	5286.73	63440.78
				D	32.03	2562.04	5551.09	66613.04
				E	33.63	2690.13	5828.62	69943.38
6	Human Resources Director	613	1105	A	79.03	6322.61	13698.99	164387.86
				B				
				C				
				D				
				E	110.65	8851.67	19178.62	230143.42
8	Human Resources Technician	816	2107	A	33.55	2684.39	5816.18	69794.14
				B	35.24	2819.20	6108.27	73299.20
				C	36.99	2959.53	6412.31	76947.78
				D	38.85	3108.09	6734.19	80810.34
				E	40.79	3263.09	7070.03	84840.34
6	I T Director	624	2113	A	77.99	6239.43	13518.76	162225.18
				B				
				C				
				D				
				E	109.19	8735.19	18926.24	227114.94

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8	I T Manager	819	2116	A	58.47	4677.42	10134.41	121612.92
				B				
				C				
				D				
				E	76.96	6157.20	13340.60	160087.20
5	I T Technician	542	3101	A	37.42	2993.96	6486.91	77842.96
				B	39.30	3143.64	6811.22	81734.64
				C	41.26	3300.79	7151.71	85820.54
				D	43.32	3465.83	7509.30	90111.58
				E	45.49	3639.13	7884.78	94617.38
8	Information Services Analyst	831	2118	A	49.18	3934.73	8525.25	102302.98
				B				
				C				
				D				
				E	64.74	5179.26	11221.73	134660.76
5	Junior Civil Engineer	519	2203	A	42.76	3420.86	7411.86	88942.36
				B	44.90	3591.90	7782.45	93389.40
				C	47.14	3771.50	8171.58	98059.00
				D	49.50	3960.08	8580.17	102962.08
				E	51.98	4158.09	9009.19	108110.34
5	Junior Planner	520	2804	A	38.72	3097.22	6710.64	80527.72
				B	40.65	3252.09	7046.19	84554.34
				C	42.68	3414.68	7398.47	88781.68
				D	44.82	3585.46	7768.50	93221.96
				E	47.06	3764.69	8156.83	97881.94
7	Lifeguard	710	5610	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	21.00	1680.00	3640.00	43680.00
2	Maint Worker III - 40	234	8619	A	35.70	2855.95	6187.89	74254.70
				B	37.49	2998.96	6497.75	77972.96
				C	39.36	3148.82	6822.44	81869.32
				D	41.33	3306.40	7163.87	85966.40
				E	43.40	3471.68	7521.97	90263.68

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2	Maintenance Custodian I	203	8101	A	25.43	1907.19	4132.24	49586.94
				B	26.70	2002.56	4338.88	52066.56
				C	28.04	2102.70	4555.85	54670.20
				D	29.44	2207.83	4783.63	57403.58
				E	30.91	2318.23	5022.83	60273.98
2	Maintenance Custodian I - 40	222	8107	A	25.43	2034.36	4407.78	52893.36
				B	26.70	2136.05	4628.11	55537.30
				C	28.04	2242.87	4859.55	58314.62
				D	29.44	2355.02	5102.54	61230.52
				E	30.91	2472.75	5357.63	64291.50
2	Maintenance Custodian II	204	8102	A	27.97	2097.95	4545.56	54546.70
				B	29.37	2202.83	4772.80	57273.58
				C	30.84	2312.99	5011.48	60137.74
				D	32.38	2428.57	5261.90	63142.82
				E	34.00	2550.04	5525.09	66301.04
2	Maintenance Custodian II - 40	223	8108	A	27.97	2237.82	4848.61	58183.32
				B	29.37	2349.66	5090.93	61091.16
				C	30.84	2467.17	5345.53	64146.42
				D	32.38	2590.48	5612.71	67352.48
				E	34.00	2720.07	5893.49	70721.82
2	Maintenance Custodian III	205	8103	A	32.17	2412.60	5227.30	62727.60
				B	33.78	2533.22	5488.64	65863.72
				C	35.47	2659.89	5763.10	69157.14
				D	37.24	2792.89	6051.26	72615.14
				E	39.10	2932.57	6353.90	76246.82
2	Maintenance Custodian III - 40	233	8618	A	32.17	2573.60	5576.13	66913.60
				B	33.78	2702.09	5854.53	70254.34
				C	35.47	2837.59	6148.11	73777.34
				D	37.24	2979.21	6454.96	77459.46
				E	39.10	3127.82	6776.94	81323.32
2	Maintenance Worker I	206	8202	A	27.97	2097.95	4545.56	54546.70
				B	29.37	2202.83	4772.80	57273.58
				C	30.84	2312.99	5011.48	60137.74
				D	32.38	2428.62	5262.01	63144.12
				E	34.00	2550.04	5525.09	66301.04

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2	Maintenance Worker I-40	207	8203	A	28.23	2258.22	4892.81	58713.72
				B	29.63	2370.40	5135.87	61630.40
				C	31.12	2489.44	5393.79	64725.44
				D	32.67	2613.60	5662.80	67953.60
				E	34.31	2744.63	5946.70	71360.38
2	Maintenance Worker II	208	8204	A	30.77	2307.72	5000.06	60000.72
				B	32.31	2423.09	5250.03	63000.34
				C	33.92	2544.23	5512.50	66149.98
				D	35.62	2671.46	5788.16	69457.96
				E	37.40	2805.04	6077.59	72931.04
2	Maintenance Worker II-40	209	8205	A	31.04	2483.44	5380.79	64569.44
				B	32.60	2607.61	5649.82	67797.86
				C	34.23	2738.64	5933.72	71204.64
				D	35.93	2874.79	6228.71	74744.54
				E	37.73	3018.66	6540.43	78485.16
2	Maintenance Worker III	210	8206	A	35.38	2653.85	5750.01	69000.10
				B	37.15	2786.55	6037.53	72450.30
				C	39.01	2925.89	6339.43	76073.14
				D	40.96	3072.17	6656.37	79876.42
				E	43.01	3225.80	6989.23	83870.80
7	Maintenance Worker/Seasonal	760	8207	A	19.88	1590.40	3445.87	41350.40
				B				
				C				
				D				
				E	24.85	1988.00	4307.33	51688.00
8	Management Analyst	854	2128	A	51.49	4119.23	8925.00	107099.98
				B				
				C				
				D				
				E	72.10	5768.18	12497.72	149972.68
5	Marketing Coordinator	548	5614	A	36.34	2907.27	6299.09	75589.02
				B	38.16	3052.63	6614.03	79368.38
				C	40.07	3205.26	6944.73	83336.76
				D	42.07	3365.53	7291.98	87503.78
				E	44.17	3533.81	7656.59	91879.06

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6	Mayor	696	1118	A	130.47	521.88	1130.74	13568.88
				B				
				C				
				D				
				E	130.47	521.88	1130.74	13568.88
5	Neighbhd Preservation Asst	510	5802	A	30.51	2441.10	5289.05	63468.60
				B	32.04	2563.17	5553.53	66642.42
				C	33.64	2691.32	5831.19	69974.32
				D	35.32	2825.92	6122.83	73473.92
				E	37.09	2967.17	6428.87	77146.42
5	Office Assistant I	516	6108	A	24.59	1966.86	4261.53	51138.36
				B	25.81	2065.19	4474.58	53694.94
				C	27.11	2168.46	4698.33	56379.96
				D	28.46	2276.85	4933.18	59198.10
				E	29.88	2390.70	5179.85	62158.20
5	Office Assistant II	517	6109	A	27.04	2163.45	4687.47	56249.70
				B	28.39	2271.59	4921.78	59061.34
				C	29.82	2385.23	5168.00	62015.98
				D	31.31	2504.49	5426.40	65116.74
				E	32.87	2629.64	5697.55	68370.64
5	Office Specialist	518	6110	A	31.10	2487.96	5390.58	64686.96
				B	32.65	2612.38	5660.16	67921.88
				C	34.29	2743.04	5943.25	71319.04
				D	36.00	2880.22	6240.48	74885.72
				E	37.80	3024.16	6552.35	78628.16
4	Patrol Officer	404	4401	A	49.75	3980.00	8623.33	103480.00
				B	52.24	4178.99	9054.48	108653.74
				C	54.85	4387.92	9507.16	114085.92
				D	57.59	4607.33	9982.55	119790.58
				E	60.47	4837.66	10481.60	125779.16
4	Patrol Officer Trainee	458	4402	A	48.68	3894.53	8438.15	101257.78
				B	51.11	4089.18	8859.89	106318.68
				C	53.67	4293.69	9303.00	111635.94
				D	56.35	4508.34	9768.07	117216.84
				E	59.17	4733.72	10256.39	123076.72

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5	Payroll Specialist	546	5102	A	33.22	2657.20	5757.27	69087.20
				B	34.88	2790.06	6045.13	72541.56
				C	36.62	2929.56	6347.38	76168.56
				D	38.45	3076.05	6664.78	79977.30
				E	40.37	3229.80	6997.90	83974.80
5	Plan Check Engineer	521	3807	A	55.36	4428.42	9594.91	115138.92
				B	58.12	4649.38	10073.66	120883.88
				C	61.03	4882.17	10578.04	126936.42
				D	64.07	5125.87	11106.05	133272.62
				E	67.32	5385.54	11668.67	140024.04
5	Plan Checker	522	3803	A	47.20	3776.18	8181.72	98180.68
				B	49.56	3964.94	8590.70	103088.44
				C	52.04	4163.54	9021.00	108252.04
				D	54.64	4371.10	9470.72	113648.60
				E	57.38	4590.27	9945.59	119347.02
6	Plan Review Manager	678	1210	A	61.45	4915.76	10650.81	127809.76
				B				
				C				
				D				
				E	79.92	6393.40	13852.37	166228.40
6	Planning & Neigh Svcs Director	607	1803	A	79.14	6330.89	13716.93	164603.14
				B				
				C				
				D				
				E	110.79	8863.25	19203.71	230444.50
7	Planning Commissioners	698	1108	A	1.00	80.00	173.33	2080.00
				B				
				C				
				D				
				E	1.00	80.00	173.33	2080.00
6	Planning Manager	602	2803	A	60.31	4825.16	10454.51	125454.16
				B				
				C				
				D				
				E	84.44	6755.21	14636.29	175635.46

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4	Police Assistant	450	6401	A	0.02	1.64	3.55	42.64
				B	47.27	3781.86	8194.03	98328.36
				C	49.64	3970.92	8603.66	103243.92
				D	52.12	4169.45	9033.81	108405.70
				E	54.72	4377.95	9485.56	113826.70
6**	Police Captain	651	1401	A	94.68	7574.39	16411.17	196934.04
				B				
				C				
				D				
				E	132.55	10604.10	22975.56	275706.72
4	Police Clerk I	451	6402	A	33.88	2710.80	5873.40	70480.80
				B	35.58	2846.35	6167.09	74005.10
				C	37.36	2988.65	6475.41	77704.90
				D	39.23	3138.10	6799.22	81590.60
				E	41.19	3294.94	7139.04	85668.44
4	Police Clerk II	452	6403	A	37.27	2981.81	6460.59	77527.06
				B	39.14	3130.99	6783.81	81405.74
				C	41.09	3287.52	7122.96	85475.52
				D	43.15	3451.92	7479.16	89749.92
				E	45.31	3624.44	7852.95	94235.44
4	Police Clerk Supervisor	454	6404	A	43.05	3444.07	7462.15	89545.82
				B	45.20	3616.30	7835.32	94023.80
				C	47.46	3797.07	8226.99	98723.82
				D	49.84	3986.95	8638.39	103660.70
				E	52.33	4186.28	9070.27	108843.28
4	Police Evidence Technician	459	8607	A	39.53	3162.29	6851.63	82219.54
				B	41.50	3320.38	7194.16	86329.88
				C	43.58	3486.42	7553.91	90646.92
				D	45.76	3660.76	7931.65	95179.76
				E	48.05	3843.79	8328.21	99938.54
4	Police Lieutenant	400	2402	A	76.31	6104.74	13226.94	158723.24
				B	80.12	6409.98	13888.29	166659.48
				C	84.13	6730.51	14582.77	174993.26
				D	88.34	7067.05	15311.94	183743.30
				E	92.75	7420.38	16077.49	192929.88

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4	Police Officer	403	4403	A	54.40	4352.17	9429.70	113156.42
				B	57.12	4569.84	9901.32	118815.84
				C	59.98	4798.31	10396.34	124756.06
				D	62.98	5038.19	10916.08	130992.94
				E	66.13	5290.16	11462.01	137544.16
4	Police Officer Trainee	457	4404	A	53.23	4258.69	9227.16	110725.94
				B	55.90	4471.68	9688.64	116263.68
				C	58.69	4695.30	10173.15	122077.80
				D	61.63	4930.03	10681.73	128180.78
				E	64.71	5176.53	11215.82	134589.78
4	Police Sergeant	401	4405	A	65.72	5257.54	11391.34	136696.04
				B	69.01	5520.43	11960.93	143531.18
				C	72.46	5796.44	12558.95	150707.44
				D	76.08	6086.34	13187.07	158244.84
				E	79.88	6390.65	13846.41	166156.90
6	Police Support Services Mgr	657	1404	A	58.49	4679.57	10139.07	121668.82
				B				
				C				
				D				
				E	81.90	6551.69	14195.33	170343.94
7	Pool Manager	708	5608	A	18.25	1460.00	3163.33	37960.00
				B				
				C				
				D				
				E	25.55	2044.00	4428.67	53144.00
8	Principal Civil Engineer	822	2204	A	61.45	4915.76	10650.81	127809.76
				B				
				C				
				D				
				E	79.92	6393.40	13852.37	166228.40
8	Principal Planner	823	2811	A	63.35	5068.27	10981.25	131775.02
				B				
				C				
				D				
				E	76.73	6138.46	13300.00	159599.96

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5	Program Coordinator	523	5606	A	33.89	2711.28	5874.44	70493.28
				B				
				C				
				D				
				E	44.61	3568.85	7732.51	92790.10
6	Public Information Officer	674	1122	A	58.05	4644.23	10062.50	120749.98
				B				
				C				
				D				
				E	81.27	6501.93	14087.51	169050.18
5	Public Services Assistant I	524	6601	A	28.27	2261.81	4900.59	58807.06
				B	29.69	2374.92	5145.66	61747.92
				C	31.17	2493.69	5402.99	64835.94
				D	32.73	2618.37	5673.13	68077.62
				E	34.37	2749.27	5956.75	71481.02
5	Public Services Assistant II	525	6602	A	31.10	2487.98	5390.62	64687.48
				B	32.66	2612.41	5660.22	67922.66
				C	34.29	2743.03	5943.23	71318.78
				D	36.00	2880.23	6240.50	74885.98
				E	37.80	3024.16	6552.35	78628.16
6	Public Works Director	635	1204	A	81.37	6509.80	14104.57	169254.80
				B				
				C				
				D				
				E	113.92	9113.73	19746.41	236956.98
5	Public Works Inspector	526	3202	A	45.65	3652.03	7912.73	94952.78
				B	47.93	3834.66	8308.43	99701.16
				C	50.33	4026.36	8723.78	104685.36
				D	52.85	4227.70	9160.02	109920.20
				E	55.49	4439.06	9617.96	115415.56
6	Public Works Manager	648	1117	A	54.16	4332.74	9387.60	112651.24
				B				
				C				
				D				
				E	75.82	6065.83	13142.63	157711.58

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8	Purchasing Agent	826	1106	A	50.73	4058.22	8792.81	105513.72
				B				
				C				
				D				
				E	65.42	5233.97	11340.27	136083.22
7	Recreation Administrative Asst	712	5619	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	21.00	1680.00	3640.00	43680.00
7	Recreation Attendant	711	5618	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	21.00	1680.00	3640.00	43680.00
7	Recreation Instructors	707	5607	A	18.33	1466.40	3177.20	38126.40
				B				
				C				
				D				
				E	36.66	2932.80	6354.40	76252.80
7	Recreation Leader	706	5617	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	21.00	1680.00	3640.00	43680.00
6	Recreation Services Manager	616	2602	A	50.05	4003.69	8674.66	104095.94
				B				
				C				
				D				
				E	65.10	5207.62	11283.18	135398.12
8	Recreation Services Supervisor	827	2601	A	48.46	3876.64	8399.39	100792.64
				B				
				C				
				D				
				E	63.78	5102.17	11054.70	132656.42

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5	Recreation Svcs Assistant I	527	8601	A	15.98	1278.47	2770.02	33240.22
				B	16.78	1342.38	2908.49	34901.88
				C	17.62	1409.54	3054.00	36648.04
				D	18.50	1479.98	3206.62	38479.48
				E	19.43	1554.02	3367.04	40404.52
5	Recreation Svcs Assistant II	528	8602	A	18.97	1517.96	3288.91	39466.96
				B	19.93	1594.02	3453.71	41444.52
				C	20.92	1673.67	3626.28	43515.42
				D	21.97	1757.40	3807.70	45692.40
				E	23.07	1845.23	3998.00	47975.98
5	Recreation Svcs Assistant III	529	8603	A	21.81	1744.87	3780.55	45366.62
				B	22.90	1832.06	3969.46	47633.56
				C	24.05	1923.67	4167.95	50015.42
				D	25.25	2019.85	4376.34	52516.10
				E	26.51	2120.87	4595.22	55142.62
5	Recreation Svcs Assistant IV	530	8604	A	25.59	2047.19	4435.58	53226.94
				B	26.87	2149.53	4657.32	55887.78
				C	28.21	2257.01	4890.19	58682.26
				D	29.62	2369.87	5134.72	61616.62
				E	31.10	2488.35	5391.43	64697.10
8	Senior Accountant	829	2110	A	45.08	3606.56	7814.21	93770.56
				B				
				C				
				D				
				E	59.34	4747.03	10285.23	123422.78
5	Senior Accounting Technician	539	6106	A	34.21	2736.78	5929.69	71156.28
				B	35.92	2873.64	6226.22	74714.64
				C	37.72	3017.33	6537.55	78450.58
				D	39.60	3168.22	6864.48	82373.72
				E	41.58	3326.60	7207.63	86491.60
8	Senior Administrative Analyst	834	2112	A	49.79	3983.57	8631.07	103572.82
				B				
				C				
				D				
				E	65.55	5243.79	11361.55	136338.54

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5	Senior Building Inspector	531	3804	A	52.73	4218.07	9139.15	109669.82
				B	55.36	4429.02	9596.21	115154.52
				C	58.13	4650.44	10075.95	120911.44
				D	61.04	4882.93	10579.68	126956.18
				E	64.09	5127.10	11108.72	133304.60
8	Senior Executive Assistant	855	6123	A	42.89	3431.31	7434.51	89214.06
				B				
				C				
				D				
				E	56.45	4516.39	9785.51	117426.14
8	Senior HR Analyst	841	2122	A	46.49	3719.38	8058.66	96703.88
				B				
				C				
				D				
				E	61.20	4895.82	10607.61	127291.32
5	Senior Plan Check Engineer	534	3806	A	60.89	4871.26	10554.40	126652.76
				B	63.94	5114.96	11082.41	132988.96
				C	67.13	5370.47	11636.02	139632.22
				D	70.48	5638.72	12217.23	146606.72
				E	74.01	5920.61	12827.99	153935.86
8	Senior Planner	830	2805	A	58.08	4646.28	10066.94	120803.28
				B				
				C				
				D				
				E	70.60	5647.74	12236.77	146841.24
5	Senior Public Works Inspector	535	3203	A	52.73	4218.10	9139.22	109670.60
				B	55.36	4429.02	9596.21	115154.52
				C	58.13	4650.45	10075.98	120911.70
				D	61.04	4882.93	10579.68	126956.18
				E	64.09	5127.10	11108.72	133304.60
2	Senior Public Works Lead	225	8609	A	44.37	3549.30	7690.15	92281.80
				B	46.59	3726.89	8074.93	96899.14
				C	48.91	3913.02	8478.21	101738.52
				D	51.36	4108.55	8901.86	106822.30
				E	53.93	4314.31	9347.67	112172.06

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7	Special Project Associate	750	5105	A	20.00	1600.00	3466.67	41600.00
				B				
				C				
				D				
				E	50.00	4000.00	8666.67	104000.00
5	Sr Code Enforcement Officer	545	5806	A	46.84	3747.39	8119.35	97432.14
				B	49.18	3934.04	8523.75	102285.04
				C	51.64	4131.27	8951.09	107413.02
				D	54.23	4338.13	9399.28	112791.38
				E	56.93	4554.60	9868.30	118419.60
8	Sr. Information Analyst/Dev	853	2119	A	51.77	4141.85	8974.01	107688.10
				B				
				C				
				D				
				E	68.15	5451.93	11812.51	141750.18
5	Sr. Public Services Assistant	549	5615	A	34.69	2775.18	6012.89	72154.68
				B	36.42	2913.94	6313.54	75762.44
				C	38.25	3059.64	6629.22	79550.64
				D	40.16	3212.62	6960.68	83528.12
				E	42.17	3373.25	7308.71	87704.50
7	Sr. Special Projects Associate	749	5106	A	50.00	4000.00	8666.67	104000.00
				B				
				C				
				D				
				E	125.00	10000.00	21666.67	260000.00
7	Staff Assistant	745	5104	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	24.00	1920.00	4160.00	49920.00
7	Student Intern	740	5103	A	15.00	1200.00	2600.00	31200.00
				B				
				C				
				D				
				E	24.00	1920.00	4160.00	49920.00

\*\*Note Chief of Police, Assistant Chief of Police, Police Captain, Fire Chief, Deputy Fire Chief, and Assistant Fire Marshal change effective 03/03/2020

**CITY OF MILPITAS - HUMAN RESOURCES**  
**All Job Classifications/Salary Table Effective 01/06/2020**

<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
6	Transporation & Traffic Mgr	675	1202	A	58.05	4644.23	10062.50	120749.98
				B				
				C				
				D				
				E	81.27	6501.93	14087.51	169050.18
8	Video Media Specialist	840	2121	A	40.05	3203.98	6941.96	83303.48
				B				
				C				
				D				
				E	52.72	4217.41	9137.72	109652.66
2	Water Meter Reader I	216	8104	A	27.97	2097.88	4545.41	54544.88
				B	29.37	2202.83	4772.80	57273.58
				C	30.84	2312.98	5011.46	60137.48
				D	32.38	2428.57	5261.90	63142.82
				E	34.00	2550.03	5525.06	66300.78
2	Water Meter Reader I -40	235	8620	A	27.97	2237.90	4848.78	58185.40
				B	29.37	2349.80	5091.23	61094.80
				C	30.84	2466.94	5345.04	64140.44
				D	32.38	2590.20	5612.10	67345.20
				E	34.01	2720.46	5894.33	70731.96
2	Water Meter Reader II	217	8105	A	30.77	2307.72	5000.06	60000.72
				B	32.31	2423.08	5250.01	63000.08
				C	33.92	2544.22	5512.48	66149.72
				D	35.62	2671.44	5788.12	69457.44
				E	37.40	2805.04	6077.59	72931.04
2	Water Meter Reader II -40	236	8621	A	30.77	2461.69	5333.66	64003.94
				B	32.31	2584.96	5600.75	67208.96
				C	33.92	2713.46	5879.16	70549.96
				D	35.62	2849.84	6174.65	74095.84
				E	37.40	2992.33	6483.38	77800.58
2	Water Systems Operator	219	7211	A	40.09	3207.25	6949.04	83388.50
				B	42.09	3367.27	7295.75	87549.02
				C	44.20	3535.96	7661.25	91934.96
				D	46.41	3712.76	8044.31	96531.76
				E	48.73	3898.42	8446.58	101358.92

\*\*Note Chief of Police, Assistant Chief of Police, Police Captain, Fire Chief, Deputy Fire Chief, and Assistant Fire Marshal change effective 03/03/2020

**CITY OF MILPITAS - HUMAN RESOURCES**  
**All Job Classifications/Salary Table Effective 01/06/2020**

<u>Code</u>	<u>Classification</u>	<u>Pay Grade</u>	<u>Occ Code</u>	<u>Step</u>	<u>Hourly</u>	<u>BiWeekly</u>	<u>Monthly</u>	<u>Annual</u>
2	Water Systems Operator - 40	237	8622	A	42.76	3420.67	7411.45	88937.42
				B	44.90	3592.01	7782.69	93392.26
				C	47.15	3772.10	8172.88	98074.60
				D	49.50	3960.04	8580.09	102961.04
				E	51.98	4158.48	9010.04	108120.48

\*\*Note Chief of Police, Assistant Chief of Police, Police Captain, Fire Chief, Deputy Fire Chief, and Assistant Fire Marshal change effective 03/03/2020

**LAW OFFICES of LOUIS D. SILVER**

ATTORNEY AT LAW

LOUIS D. SILVER

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Facsimile: 408 456-0463

Via Hand Delivery

February 27, 2020

Mr. Steven McHarris  
Interim City Manager, City of Milpitas  
455 E. Calaveras Blvd.  
Milpitas, CA 95035

Re: Milpitas Public Safety Managers Association

Dear Mr. McHarris

I am contacting you on behalf of my client, the Milpitas Public Safety Managers Association. This organization, which consists of the following job codes:

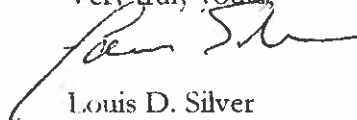
Assistant Fire Chief  
Deputy Fire Chief  
Emergency Services Coordinator  
Assistant Fire Marshall  
Chief Fire Enforcement Officer

seeks to be formally recognized as the bargaining agent for the above defined bargaining unit.

This is not intended, nor should it be interpreted as a hostile gesture. We can, if need be, give proof that the MPSMA represents a majority of the current individuals in those job classes.

I would like to sit down with you informally to discuss this request. Please let me know if the City is willing to grant this application and dates when you would be available for an informal chat. Thanks in advance.

Very truly yours,

  
Louis D. Silver



**21. Review the Pension Actuarial Report and Direct Staff to Return to the Council with the necessary Documents for the Establishment of a 115 Pension Trust**

Walter C. Rossmann, 408-586-3111

Recommendation:

Review the Pension Actuarial Report and direct staff to return to City Council with the necessary documents for the establishment of a 115 Pension Trust.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Review the Pension Actuarial Report and Direct Staff to Return to the Council with the necessary Documents for the Establishment of a 115 Pension Trust</b>
<b>Category:</b>	Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Walter C. Rossmann, 408-586-3111
<b>Recommendation:</b>	Review the Pension Actuarial Report and direct staff to return to City Council with the necessary documents for the establishment of a 115 Pension Trust.

### **Background:**

The City has two pension plans with CalPERS; the Safety Plan for its sworn employees and the Miscellaneous Plan for its non-sworn employees. Since the deep recession about a decade ago, the cost for the City's pension benefit has risen drastically. In FY 2009-10, the pension cost was approximately \$7 million for both plans. By 2018-19 the cost increased to approximately \$17 million, an increase of 143% over ten years. The primary reasons for the cost increase are investment losses, demographic changes, and CalPERS policy changes (contribution policy changes; amortization policy changes; and discount rate changes).

The major demographic changes are an increase in the retiree population and a longer life expectancy. In FY 2008-09, the City had 276 active or employed Miscellaneous or non-sworn employees versus 228 retired employees. In 2018, the City had 202 active Miscellaneous employees versus 383 retired employees. Within ten years, the retiree population increased by 68%. During the last five years, CalPERS changed various policies to improve funding to the pension system thereby increasing the annual cost to CalPERS agencies such as the City of Milpitas. Changes to the contribution policy included closed versus rolling amortization periods, discontinuing asset smoothing, and introducing five-year ramp-ups to fund changes in the Unfunded Actuarial Liability (UAL). Further, CalPERS reduced its discount rate, the interest rate which its investment portfolio is targeted to earn annually, from 7.75% in FY 2012-13 to 7.00% in FY 2020-21.

Due to the impact of the deep recession, enhanced benefits granted in the 2000s, and CalPERS policy changes, the City's unfunded actuarial liability (UAL) for the Miscellaneous and Sworn Plans combined as of June 30, 2018 stands at \$207 million with a combined funded ratio of 65.2%. In FY 2006-07, both plans were more than 100% funded.

Over the last decade this Council as well as previous Councils have taken several actions to mitigate increased pension costs:

1. Planning for funding in the annual budget to ensure that the City pay its annual pension contribution as determined by CalPERS;
2. Working with its bargaining units, the City approved a lower and less expensive pension benefit (Tier 2) for classic employees (effective October 2011 for Miscellaneous employees and April 2012 for Sworn employees); and
3. Setting aside during the last two to three years approximately \$34 million of one-time General Fund dollars in the PERS Rate Stabilization Reserve to address the pension plans' UAL.

During the FY 2020-21 Preliminary Budget Study Session, staff presented the FY 2021-2030 Ten-Year General Fund Financial Forecast, which includes the full CalPERS pension impact given the Pension System's current methodology of ramping up investment gains and losses over five years. The full impact of any

investment gains and losses incurred are reflected in the sixth year of the Forecast and beyond. Further report provides an actuarial outlook regarding pension costs over the next 30 years.

### **Analysis:**

At the Council meeting, the City's actuary from Bartel and Associates will present the attached pension actuarial report as summarized below and staff will present options to address the City's UAL and investment and utilization of the PERS Rate Stabilization Reserve in the amount of \$34 million.

### **Pension Actuarial Report**

Annually, CalPERS issues pension valuations reports for Miscellaneous and Sworn employees' plans providing anticipated pension costs for the current plus five years. To fully understand the long-term impact of pension costs over 30 years staff contracted with Bartel & Associates. Bartel Associates, LLC specializes in providing states, counties, cities, and other public agencies with actuarial consulting services. Its 300+ clients range from special districts, to small and large cities, to state governments.

The attached report provides detailed demographic and historical information as well as pension cost projections for Miscellaneous and Sworn Plans, discusses recent CalPERS policy changes, and provides options for paying down the UAL. Bartel & Associates' representatives will attend the Council meeting to present the report and address Council questions. Additionally, the report will be presented to employees.

### **City's Pension Unfunded Actuarial Liability**

During the last two to three years, the Council set aside \$34 million in a PERS Rate Stabilization Reserve to address the City's Pension UAL in the amount of \$207 million. Per the City's Reserve Policies, as approved by the City Council, the funds for this reserve shall remain in the General Fund or be transferred into a Section 115 Trust. Based on Council direction, staff reviewed various options to utilize and/or invest the PERS Rate Stabilization Reserve funds as summarized in the table below.

Considerations	City's Cash Pool	Section 115 Trust	CalPERS
Utilization of Reserve Funds	Council may re-designate the use of the reserve funds for any purpose	Funds can only be used for pension related expenditures	Funds can only be used to pay off the Unfunded Actuarial Liability
Flexibility to address potential future budget shortfalls	High	Medium (funds can only be used for pension related expenditures)	None (funds are transferred to CalPERS and cannot be accessed by the City)
Reserve Funds estimated investment earnings	approximately 2%	4% to 5% depending on the investment strategy	CalPERS currently assumed interest rate of 7%
Investment Strategy Choice	Limited	Yes	None (CalPERS administers the funds)
Investment Loss Risk	Very Low	Low to Medium depending on investment strategy	High

To preserve flexibility for utilization of the funds allocated to the PERS Rate Stabilization Reserve while improving the potential to improve interest earnings, staff recommends that the Council direct staff to return to

the Council with the necessary documents to establish a Section 115 Trust. Since there are several firms that offer such a trust and related investment services, staff intends to issue a Request for Proposal to recommend the most qualified firm to the Council.

### **Policy Alternatives:**

Alternative 1: Do not direct staff to return to the Council with the necessary documents to establish a Section 115 Trust and keep funds in the PERS Rate Stabilization Reserve.

Pros: Staff time will be dedicated to other high priority projects.

Cons: The City will keep investing PERS Rate Stabilization Reserve funds in the City's investment pool earning a rate around 2%.

Reason not recommended: Keeping the funds in the PERS Rate Stabilization Reserve will yield a lower long-term yield. Furthermore, future Councils will have the option of using the reserve for other purposes, thereby potentially leaving a significant liability unresolved.

Alternative 2: Transfer the PERS Rate Stabilization Reserve funds to CalPERS to pay down the UAL.

Pros: Through an upfront payment of \$30 million, the annual payment to CalPERS for pension obligations is estimated to be reduced by several millions.

Cons: The City will no longer have access to the funds transferred to CalPERS.

Reason not recommended: By transferring PERS Rate Stabilization Reserve funds to CalPERS, the City will substantially reduce its ability to address budget shortfalls related to pension contributions during recessionary times. Further, CalPERS investments are exposed to a higher volatility and investment risk in order to achieve a 7% assumed investment earnings.

### **Fiscal Impact:**

There is no fiscal impact from issuing a Request for Proposal to seek the most qualified firm for the establishment of a Section 115 Trust other than staff time. However, if the City Council directs staff to return with the necessary documents to establish a 115 Trust, the City will have to pay a fee for the management of the City's assets by an investment firm. The selection of the firm and related costs will be determined through a competitive RFP process.

### **Recommendation:**

1. Review the Pension Actuarial Report; and
2. Direct staff to return to City Council with the necessary documents for the establishment of a 115 Pension Trust.

### **Attachment:**

Bartel and Associates Actuarial Report



**CITY OF MILPITAS**  
**MISCELLANEOUS AND SAFETY PLANS**

---

**B**ARTEL  
ASSOCIATES, LLC

**CalPERS Actuarial Analysis – 6/30/18 Valuation**

**Doug Pryor, Vice President**

Bianca Lin, Assistant Vice President

Tina Liu, Associate Actuary

**Bartel Associates, LLC**

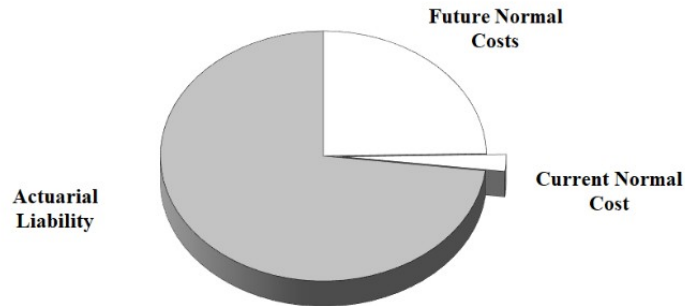
January 21, 2020

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Present Value of Benefits  
June 30, 2018



## ■ PVB - Present Value of all Projected Benefits:

- The value now of amounts due to be paid in the future
- Discounted value (at valuation date - 6/30/18), of all future expected benefit payments based on various (actuarial) assumptions

## ■ Current Normal Cost (NC):

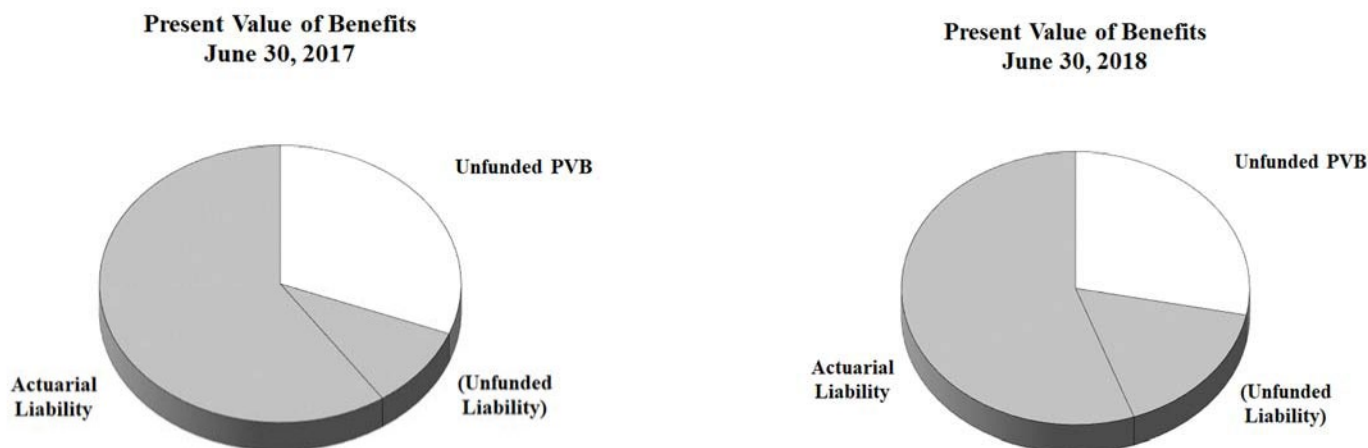
- Portion of PVB allocated to (or “earned” during) current year
- Value of employee and employer current service benefit

## ■ Actuarial Liability (AAL):

- Discounted value (at valuation date) of benefits earned through valuation date [value of past service benefit]
- Portion of PVB “earned” at measurement

## DEFINITIONS

450



- **Target-** Have money in the bank to cover Actuarial Liability (past service)
- **Unfunded Liability (UAAL or UAL) -** Money short of target at valuation date
  - If all actuarial assumptions were always exactly met, then the plan assets would always equal AAL
  - Any difference is the unfunded (or overfunded) AAL
  - Every year, the actuary calculates the difference between the expected UAAL and Actual UAAL. This is a new layer or amortization base
  - Each new layer gets amortized (paid off) over a period of time as part of the contribution [rate].



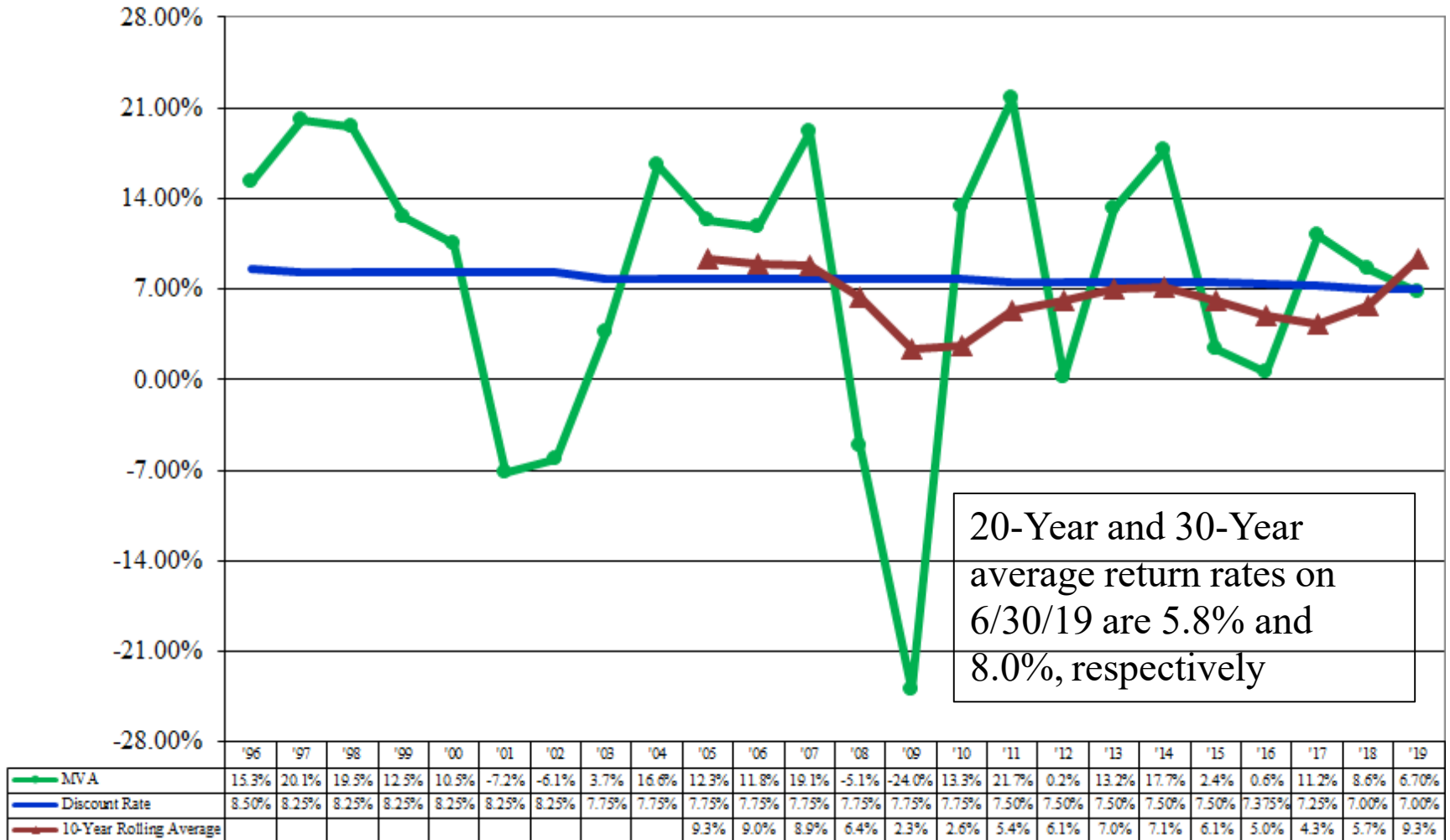
- Investment Losses
- CalPERS Contribution Policy
- Enhanced Benefits
- Demographics



# HOW WE GOT HERE – INVESTMENT RETURN

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## Annual Return on Market Value of Assets



Returns (after 2001) shown are gross returns, unreduced for administrative expenses. The discount rate is based on expected returns net of administrative expenses.



- Effective with 2003 valuations:
  - Slow (15 year) recognition of investment losses into funded status
  - Rolling 30 year amortization of all (primarily investment) losses
  
- Designed to:
  - First smooth rates and
  - Second pay off UAL
  
- Mitigated contribution volatility



## HOW WE GOT HERE – ENHANCED BENEFITS

454

- At CalPERS, Enhanced Benefits implemented using all (future & prior) service
- Typically not negotiated with cost sharing
- City of Milpitas

	<b>Tier 1</b>	<b>Tier 2<sup>1</sup></b>	<b>PEPRA</b>
● Miscellaneous	2.7%@55 FAE1	2%@60 FAE3	2%@62 FAE3
● Safety <sup>2</sup>	3%@50 FAE1	3%@55 FAE1	2.7%@57 FAE3

- Note:
  - FAE1 is highest one year (typically final) average earnings
  - FAE3 is highest three years (typically final three) average earnings
- PEPRA tier implemented for new employees hired after 1/1/13
  - Employee pays half of total normal cost
  - 2019 Compensation limit
    - Social Security participants: \$124,180
    - Non-Social Security participants: \$149,016

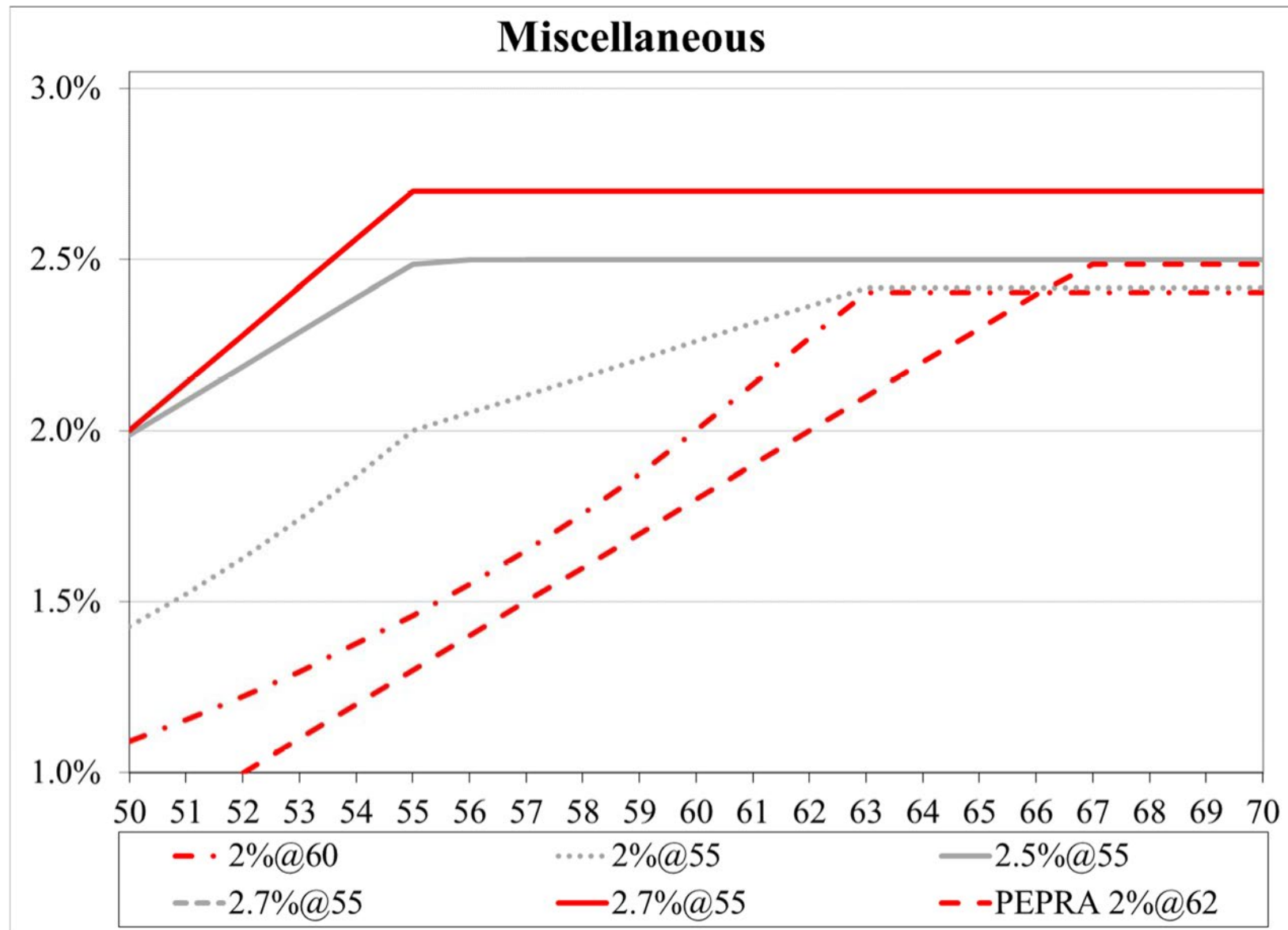
<sup>1</sup> Hired after October 9, 2011 for Miscellaneous and after April 8, 2012 for Safety

<sup>2</sup> Fire and Police members are combined in this group



## HOW WE GOT HERE – ENHANCED BENEFITS

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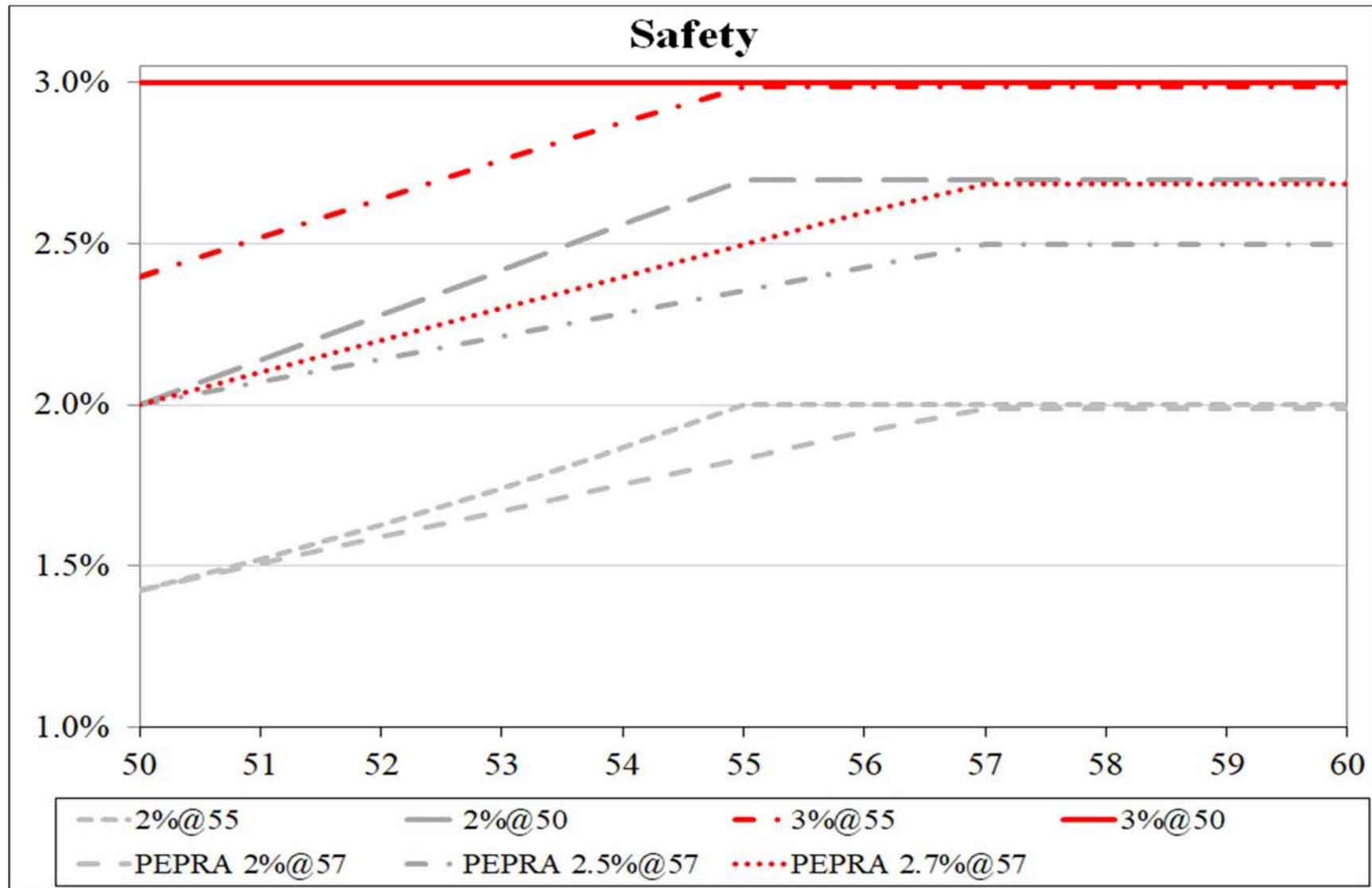


January 21, 2020



## HOW WE GOT HERE – ENHANCED BENEFITS

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January 21, 2020



- Around the State
  - Large retiree liability compared to actives
    - State average: 59% for Miscellaneous, 62% for Safety
  - Declining active population and increasing number of retirees
  - Higher percentage of retiree liability increases contribution volatility
- City of Milpitas percentage of liability belonging to retirees:
  - Miscellaneous 61%
  - Safety 70%

- Recent contribution policy changes:
  - No asset smoothing
  - No rolling amortization
  - 5-year ramp up
- February 2018: CalPERS adopted new amortization policy
  - Applies only to newly established amortization bases
    - Fixed dollar amortization rather than % pay
    - Amortize gains/losses over 20 rather than 30 years
    - 5-year ramp up (not down) for investment gains and losses
    - No ramp up/down for other amortization bases
  - Minimizes total interest paid over time and pays off UAL faster
  - Effective June 30, 2019 valuation for 2021/22 contributions
- CalPERS Board changed the discount rate:

	<u>Rate</u>	<u>Initial Impact</u>	<u>Full Impact</u>
● 6/30/16 valuation	7.375%	18/19	22/23
● 6/30/17 valuation	7.25%	19/20	23/24
● 6/30/18 valuation	7.00%	20/21	24/25

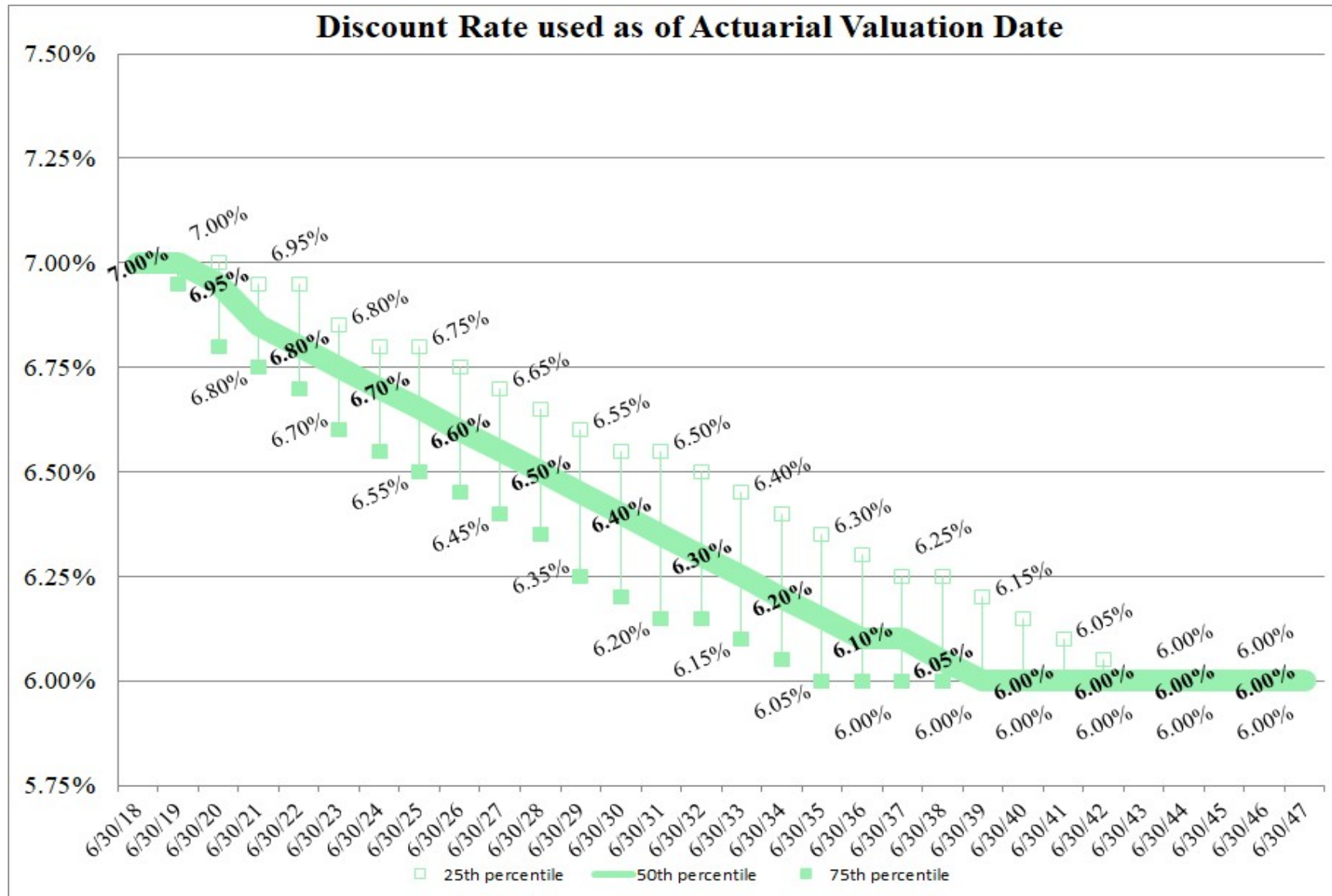


### ■ Risk Mitigation Strategy

- Move to more conservative investments over time to reduce volatility
- Only when investment return is better than expected
- Lower discount rate in concert
- Essentially use  $\approx 50\%$  of investment gains to pay for cost increases
- Likely get to 6.0% discount rate over 20+ years
- Risk mitigation suspended from 6/30/16 to 6/30/18 valuation
- Did not trigger for 6/30/19 valuation

# CALPERS CHANGES

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# SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS

461

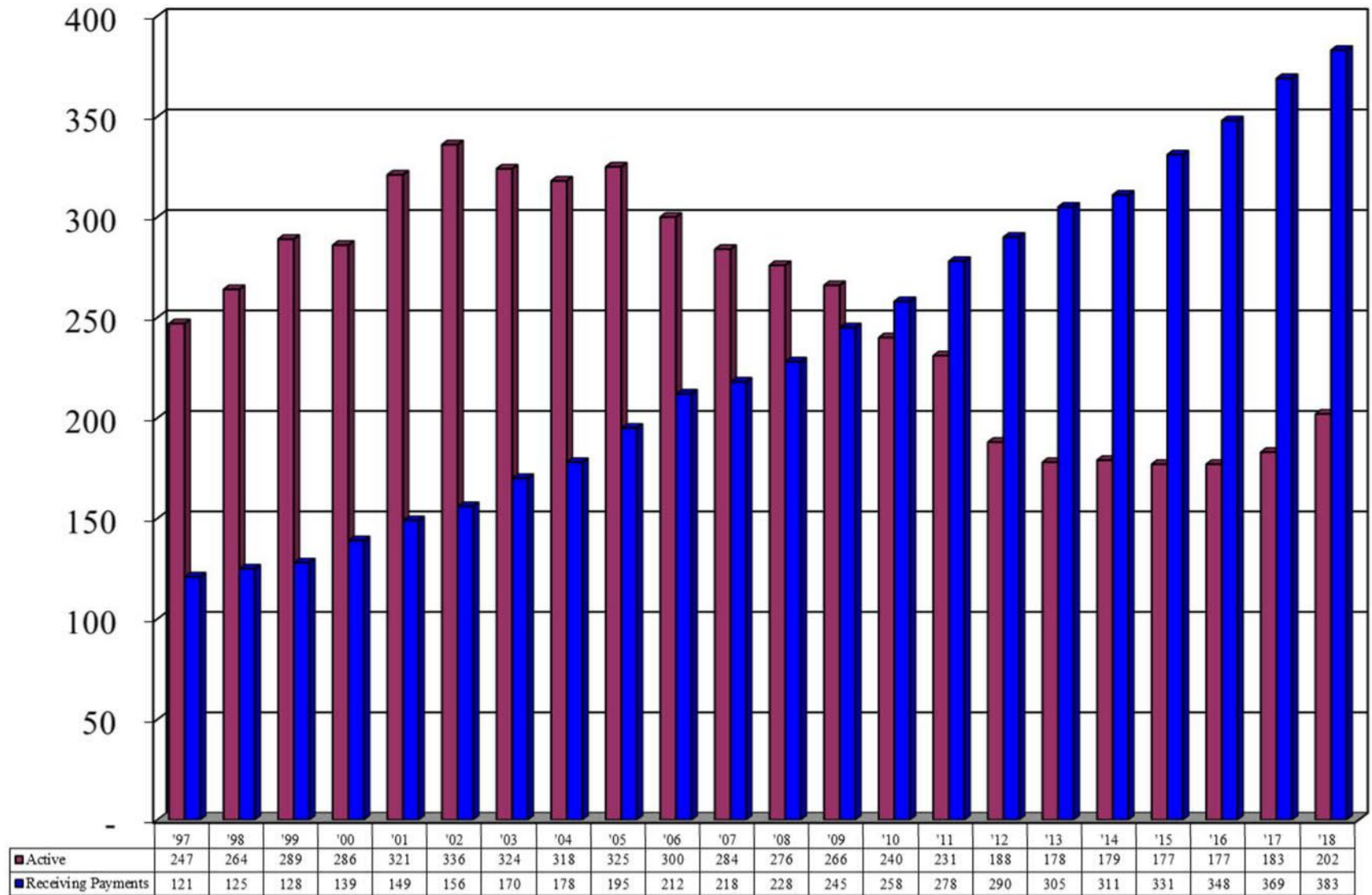
	1998	2008	2017	2018
<b>Actives</b>				
■ Counts	264	276	183	202
■ Average				
• Age	42	45	46	45
• City Service	8	11	12	11
• PERSable Wages	\$ 55,200	\$ 81,400	\$ 92,700	\$ 96,100
■ Total PERSable Wages	14,600,000	22,500,000	17,000,000	19,400,000
<b>Inactive Members</b>				
■ Counts				
• Transferred	82	158	182	185
• Separated	66	113	133	135
• Retired				
□ Service	105	194	322	331
□ Disability	10	16	23	24
□ Beneficiaries	10	18	24	28
□ Total	125	228	369	383
■ Average Annual City Provided Benefit for Service Retirees <sup>3</sup>	9,200	20,300	30,500	31,200

<sup>3</sup> Average City-provided pensions are based on City service & City benefit formula, and are not representative of benefits for long-service employees.



# SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS

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January 21, 2020



## PLAN FUNDED STATUS - MISCELLANEOUS

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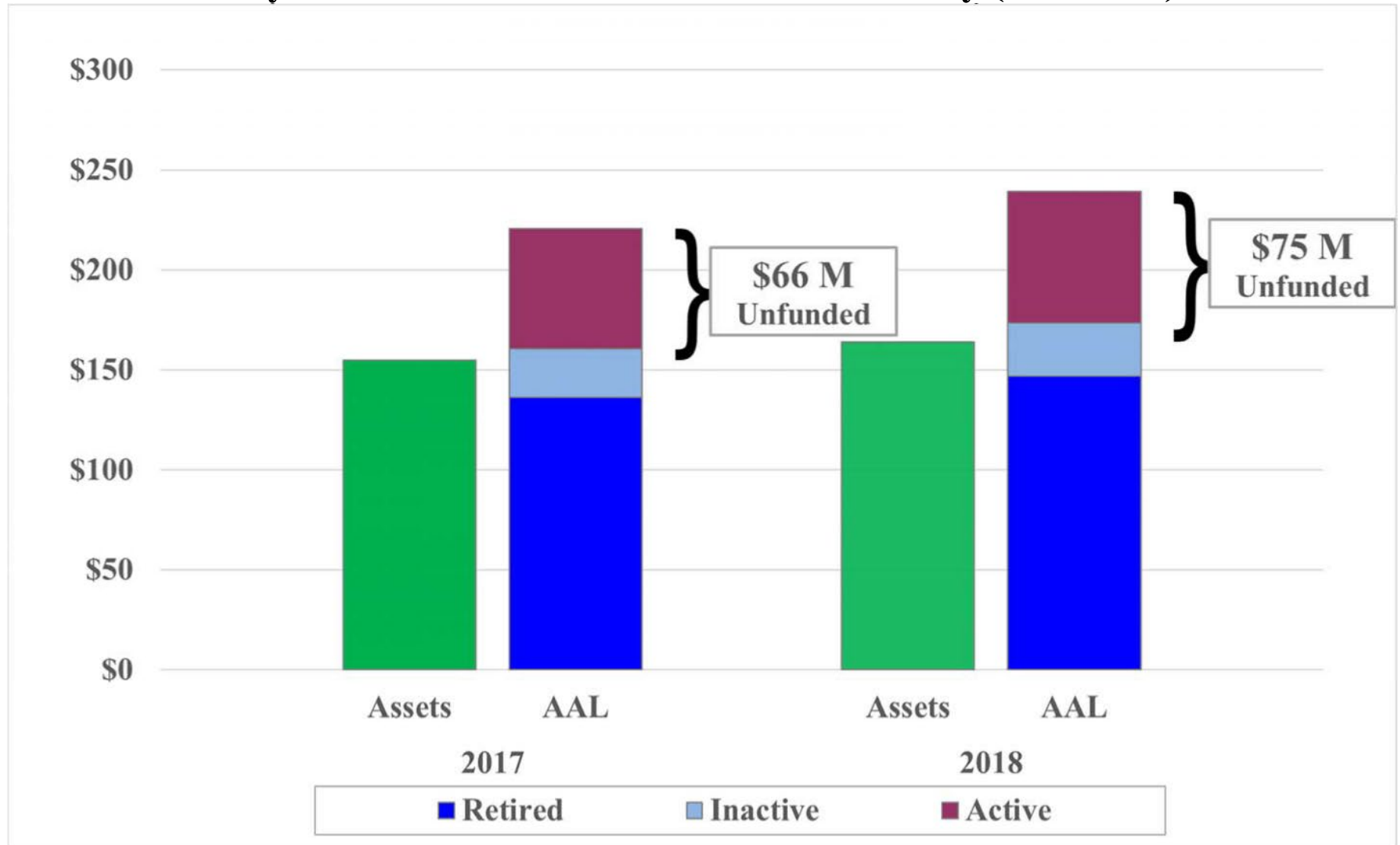
	<u>June 30, 2017</u>	<u>June 30, 2018</u>
■ <b>Actuarial Accrued Liability</b>		
● Active	\$ 60,300,000	\$ 66,000,000
● Retiree	136,200,000	147,000,000
● Inactive	<u>24,200,000</u>	<u>26,400,000</u>
● Total	220,700,000	239,400,000
■ <b>Assets</b>	<u>154,800,000</u>	<u>164,100,000</u>
■ <b>Unfunded Liability</b>	65,900,000	75,300,000
■ <b>Funded Ratio</b>	70.1%	68.5%



## PLAN FUNDED STATUS - MISCELLANEOUS

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### City CalPERS Assets and Actuarial Liability (\$Millions)



January 21, 2020



**Discount Rate Sensitivity**

**June 30, 2018**

	<b>Discount Rate</b>		
	<b><u>7.00%</u></b>	<b><u>6.50%</u></b>	<b><u>6.00%</u></b>
<b>AAL</b>	\$ 239,400,000	\$ 255,300,000	\$ 271,100,000
<b>Assets</b>	164,100,000	164,100,000	164,100,000
<b>Unfunded Liability</b>	75,300,000	91,200,000	107,000,000
<b>Funded Ratio</b>	68.5%	64.3%	60.5%

**Unfunded Accrued Liability Changes**

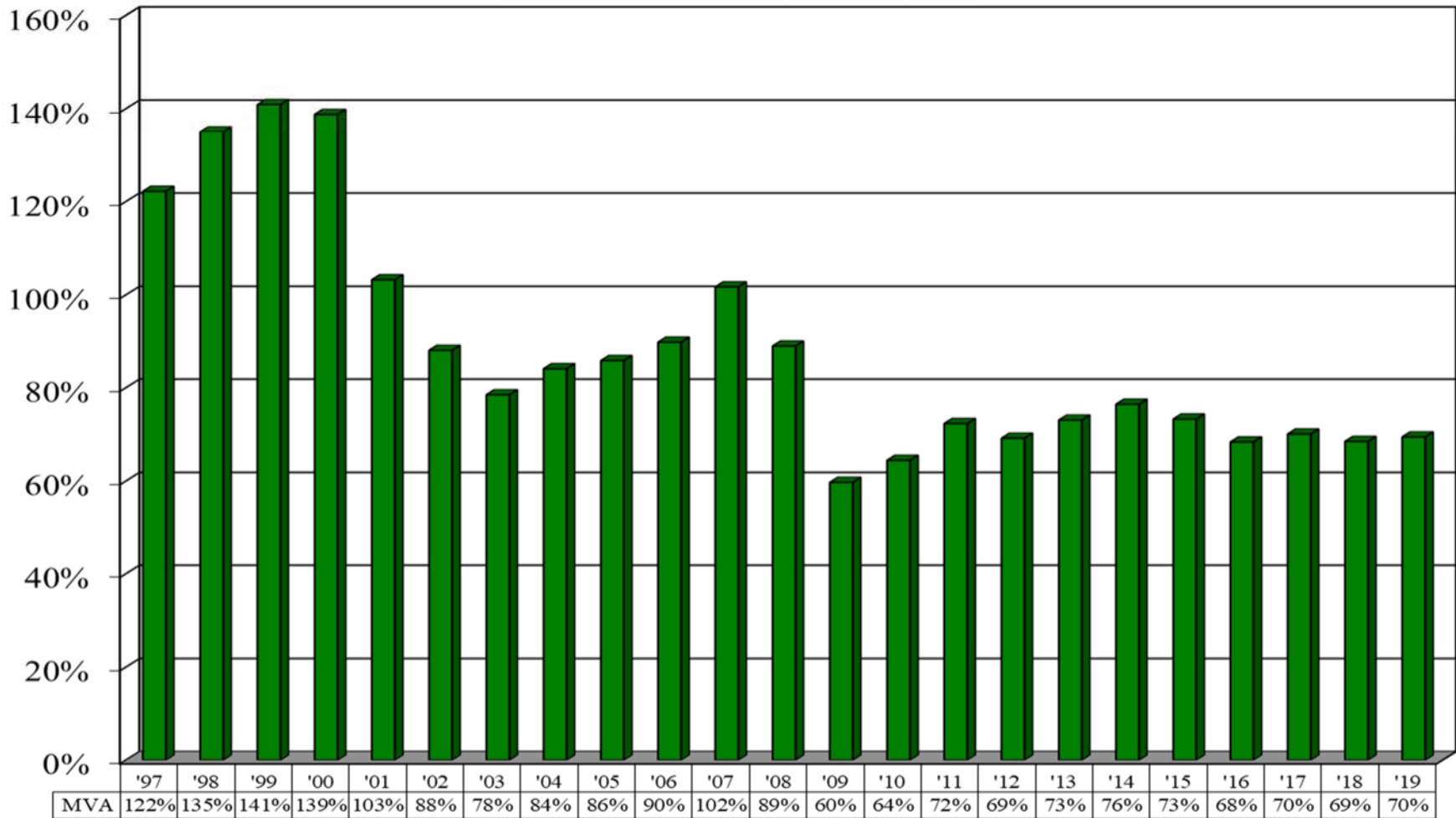
■ <b>Unfunded Accrued Liability on 6/30/17</b>		\$ 65,900,000
■ <b>Expected 6/30/18 Unfunded Accrued Liability</b>		66,600,000
■ <b>Other Changes</b>		
• Asset Loss (Gain) (8.6% return for FY 2018)	(1,800,000)	
• Assumption Change (DR 7.25% → 7%)	6,400,000	
• Method Change (Software system)	1,600,000	
• Contribution & Experience Loss (Gain)	2,500,000	
• Total		<u>8,700,000</u>
■ <b>Unfunded Accrued Liability on 6/30/18</b>		75,300,000
■ <b>Projected Unfunded Accrued Liability on 6/30/19</b>		75,600,000



# FUNDED RATIO - MISCELLANEOUS

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## Historical Funded Ratio



6/30/19 funded status estimated



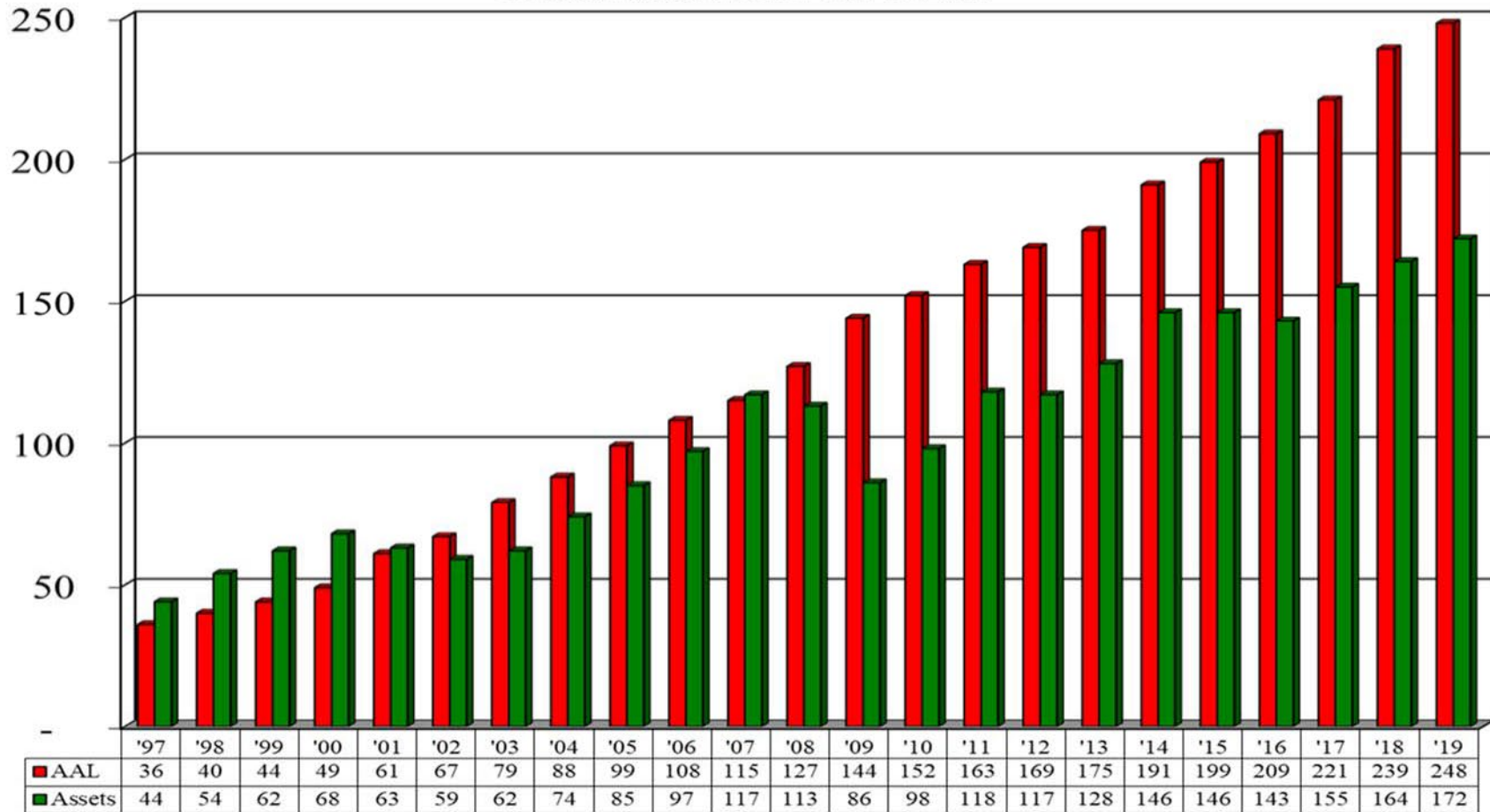
January 21, 2020



## FUNDED STATUS (MILLIONS) - MISCELLANEOUS

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**Historical AAL vs. MVA**



6/30/19 funded status estimated



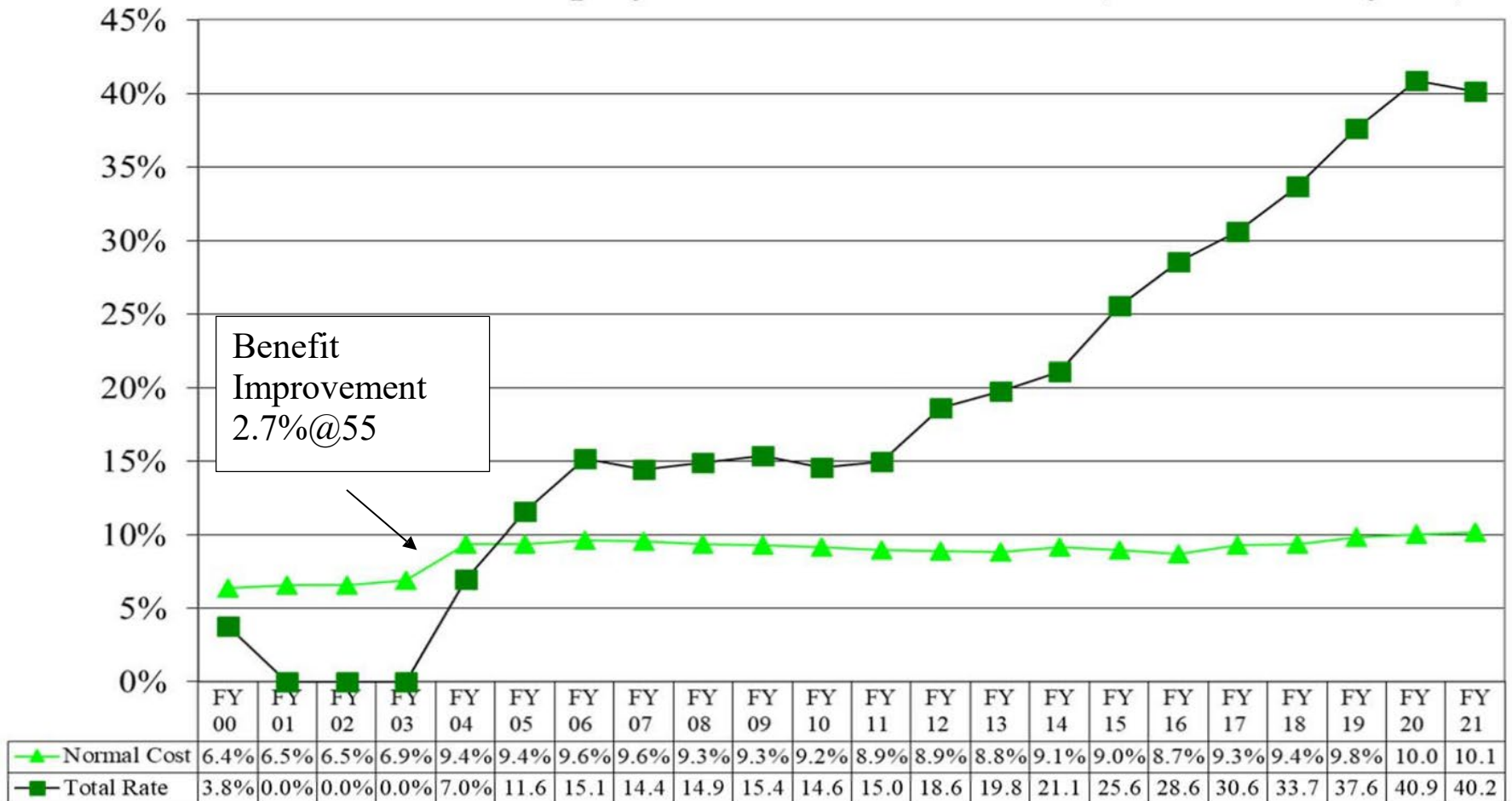
January 21, 2020



# CONTRIBUTION RATES - MISCELLANEOUS

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## Historical Employer Contribution Rates (Percent of Payroll)



January 21, 2020



## CONTRIBUTION RATES - MISCELLANEOUS

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	<b>6/30/17 <u>2019/2020</u></b>	<b>6/30/18 <u>2020/2021</u></b>
■ Total Normal Cost	17.3%	17.4%
■ Employee Normal Cost	<u>7.3%</u>	<u>7.3%</u>
■ Employer Normal Cost	10.0%	10.1%
■ Amortization Payments	<u>30.9%</u>	<u>30.1%</u> <sup>4</sup>
■ Total Employer Contribution Rate	40.9%	40.2%
■ 2019/20 Employer Contribution Rate		40.9%
● Payroll > Expected		-3.4%
● 6/30/14 Assumption Change (5 <sup>th</sup> Year)		1.2%
● 6/30/16 Discount Rate Change (3 <sup>rd</sup> Year)		0.4%
● 6/30/17 Discount Rate & Inflation (2 <sup>nd</sup> Year)		0.4%
● 6/30/18 Discount Rate change (1 <sup>st</sup> Year)		1.4%
● Other (Gains)/Losses		<u>-0.7%</u>
■ 2020/21 Employer Contribution Rate		40.2%

<sup>4</sup> Equivalent to 8.4% of UAL. One year, 7% interest on the UAL is 25.1% of payroll.



## CONTRIBUTION PROJECTIONS - MISCELLANEOUS

471

### ■ Market Value Investment Return:

- June 30, 2019 6.7%<sup>5</sup>

- Future returns based on stochastic analysis using 1,000 trials

<u>Single Year Returns at<sup>6</sup></u>	<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u>	<u>75<sup>th</sup> Percentile</u>
Current Investment Mix	<b>0.1%</b>	<b>7.0%</b>	<b>14.8%</b>
Ultimate Investment Mix	<b>0.8%</b>	<b>6.0%</b>	<b>11.4%</b>

- Assumes investment returns will, generally be 6.5% (as compared to 7.0%) over the next 9 years and higher beyond that.

### ■ Discount Rate decreases due to Risk Mitigation policy

### ■ No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements

### ■ Different from CalPERS projection

<sup>5</sup> Gross return based on July 2019 CalPERS press release

<sup>6</sup> N<sup>th</sup> percentile means N percentage of our trials result in returns lower than the indicated rates.



## CONTRIBUTION PROJECTIONS - MISCELLANEOUS

472

### ■ New hire assumptions:

- 92.5% of 2019/20 new hires are PEPRAs and 7.5% are Classic members
- Percentage of PEPRAs to increase from 92.5% to 100% over 3 years

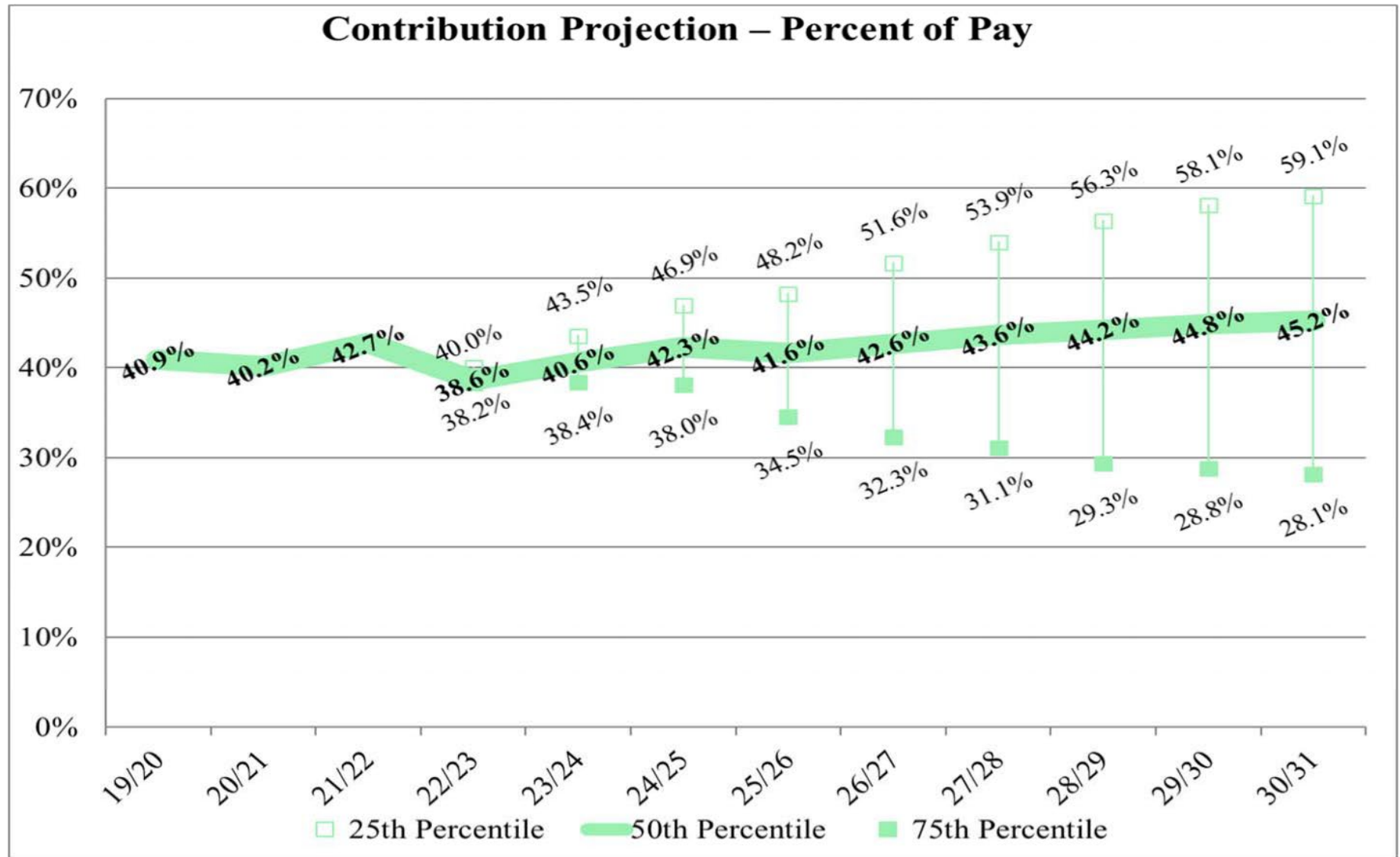
### ■ 6/30/18 employee distribution:

Benefit Tier	Count	6/30/18 Payroll
● 2.7% @ 55 FAE1	104	\$ 10,234,138
● 2% @ 60 FAE3	23	3,062,422
● 2% @ 62 FAE3 (PEPRA)	75	6,243,845



# CONTRIBUTION PROJECTIONS - MISCELLANEOUS

473

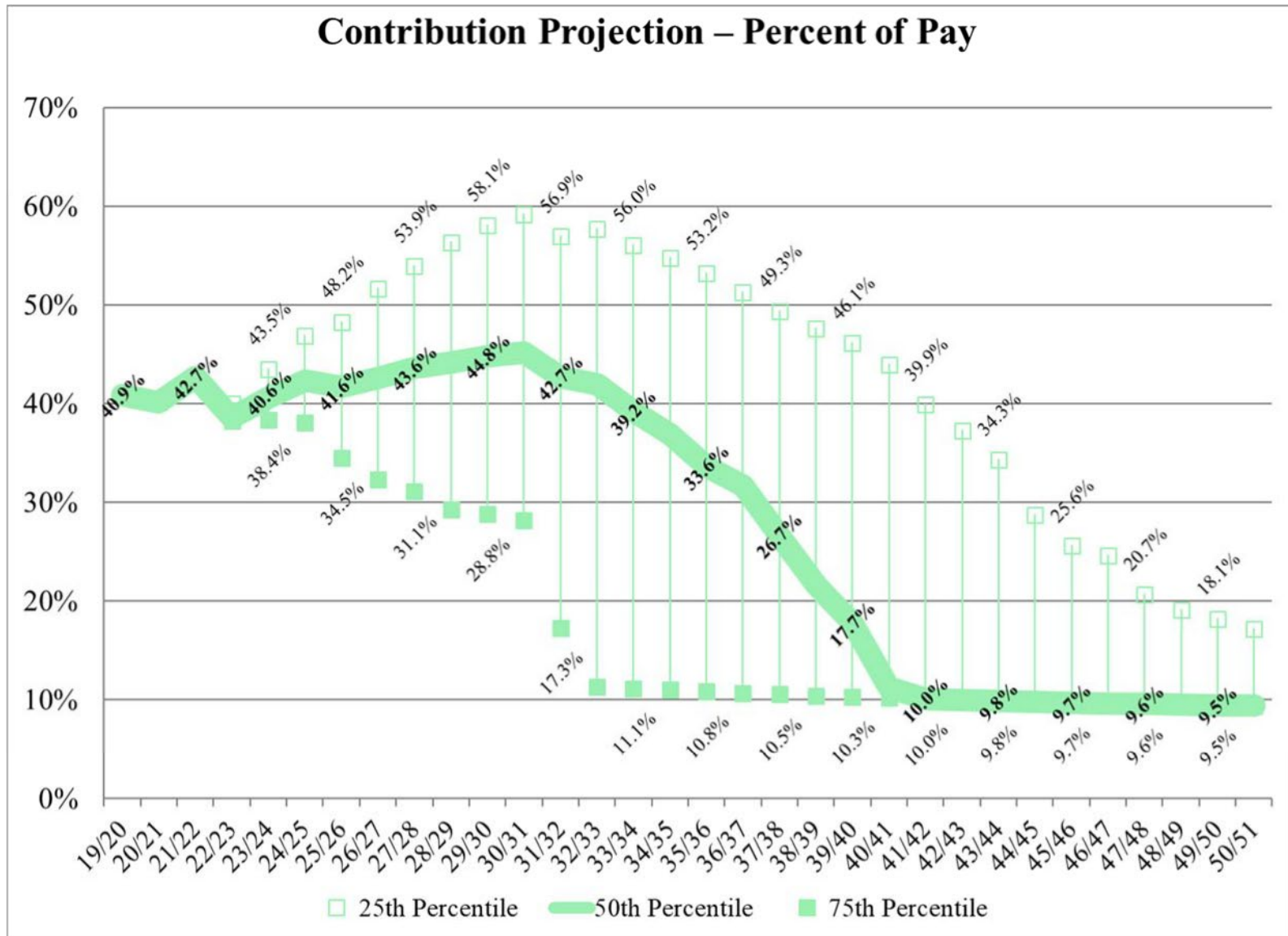


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# CONTRIBUTION PROJECTIONS - MISCELLANEOUS

474



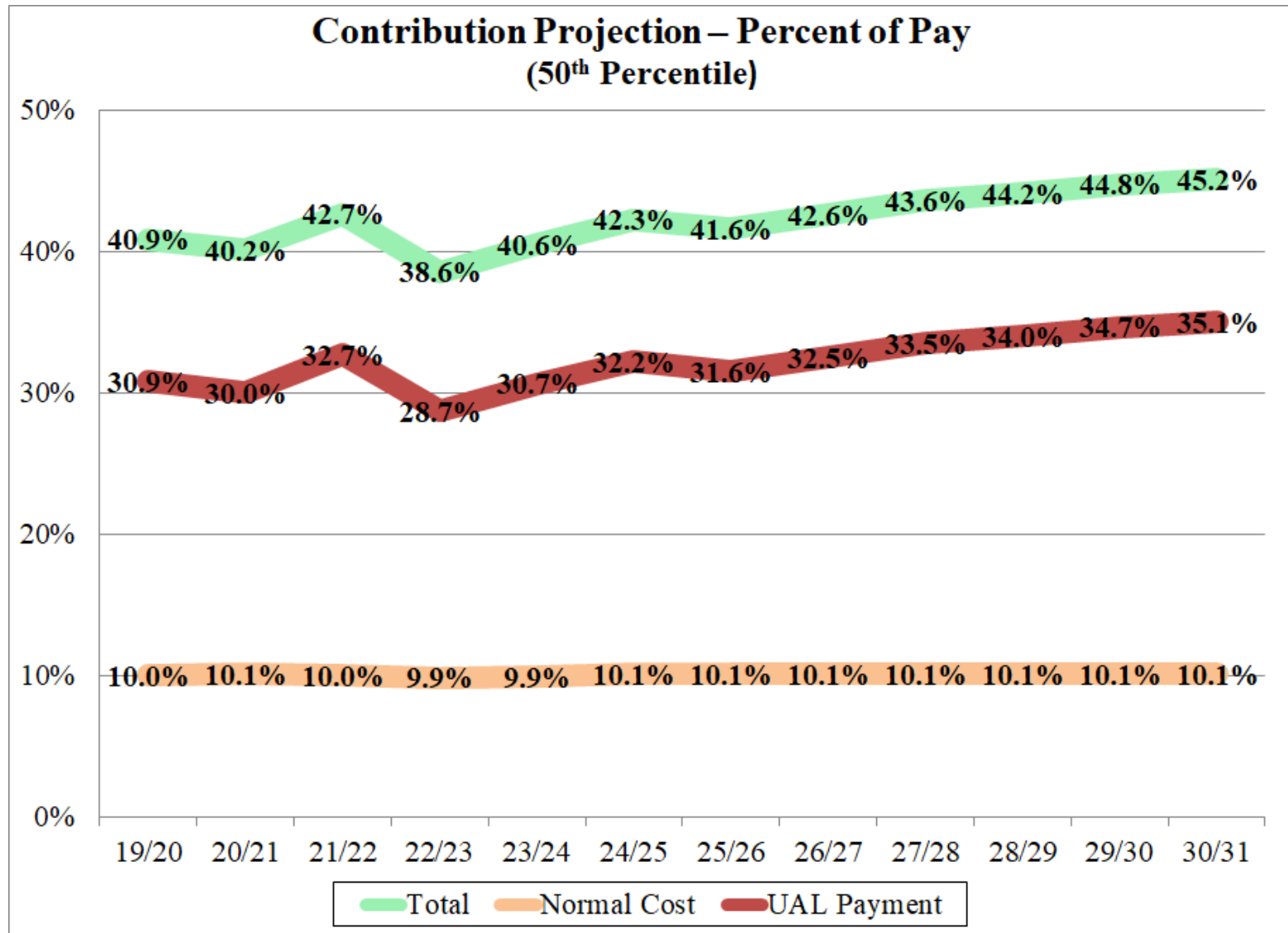
January 21, 2020





# CONTRIBUTION PROJECTIONS - MISCELLANEOUS

475

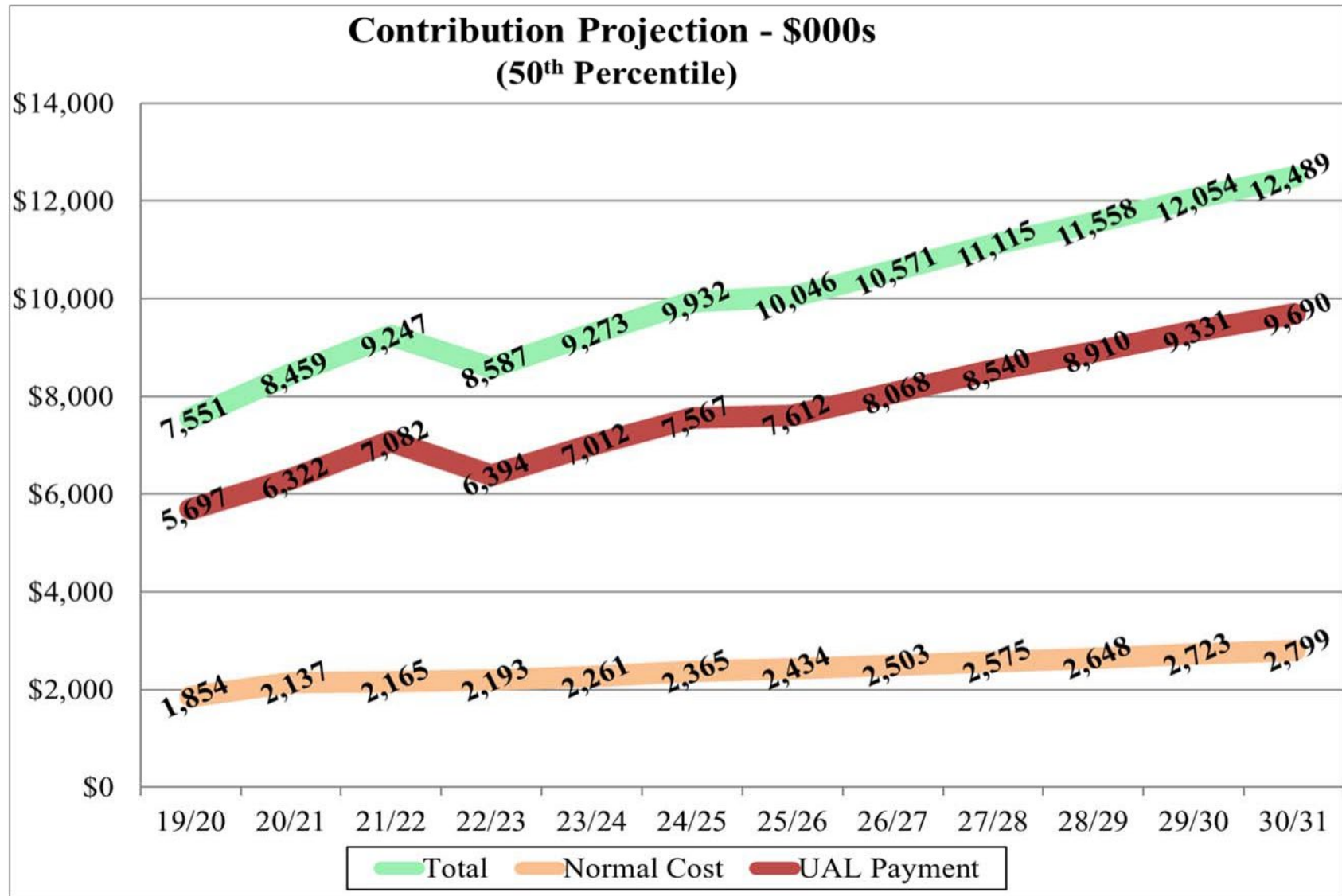


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# CONTRIBUTION PROJECTIONS - MISCELLANEOUS

476

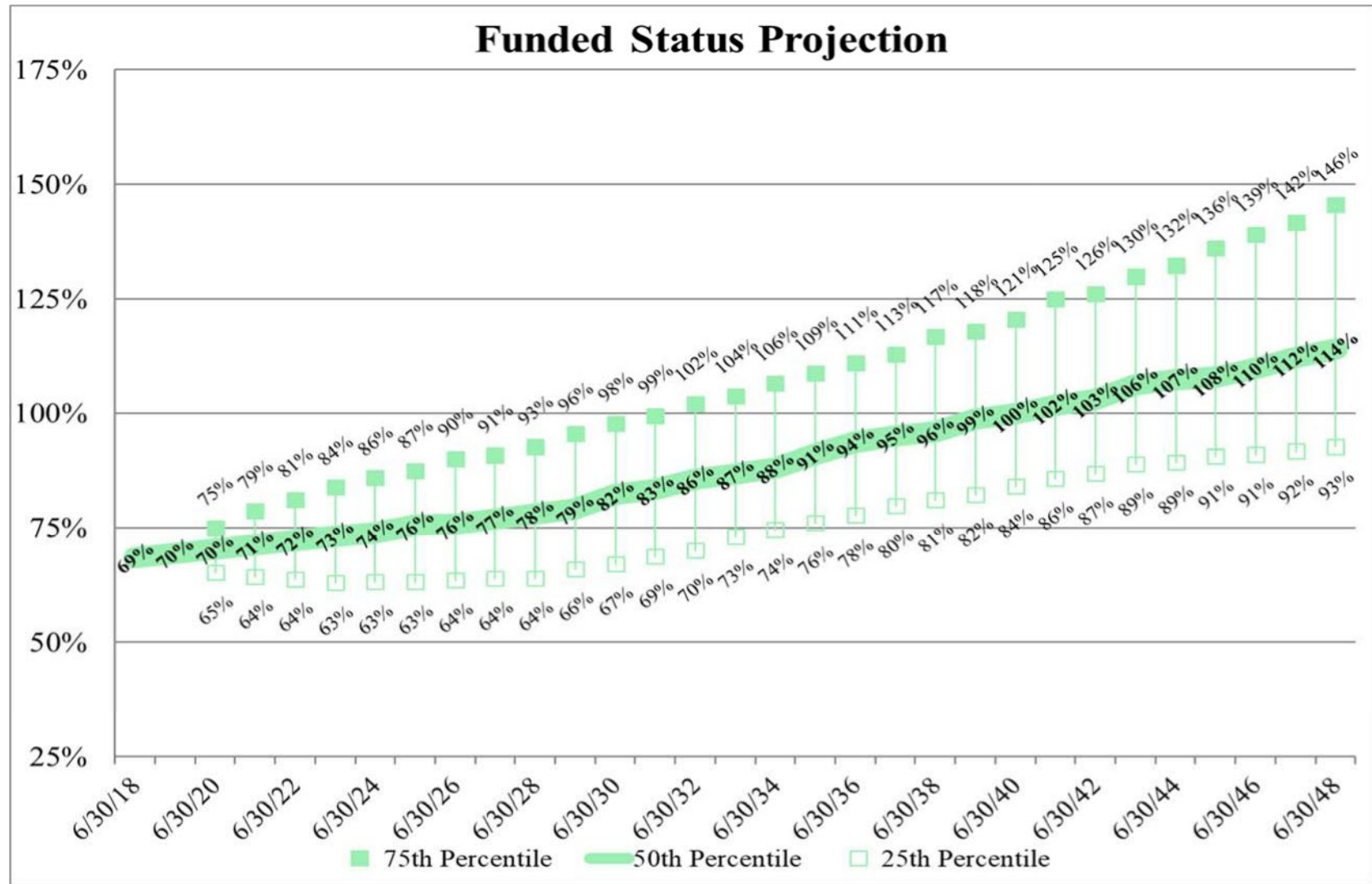


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# FUNDED STATUS - MISCELLANEOUS

477



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# SUMMARY OF DEMOGRAPHIC INFORMATION -SAFETY

479

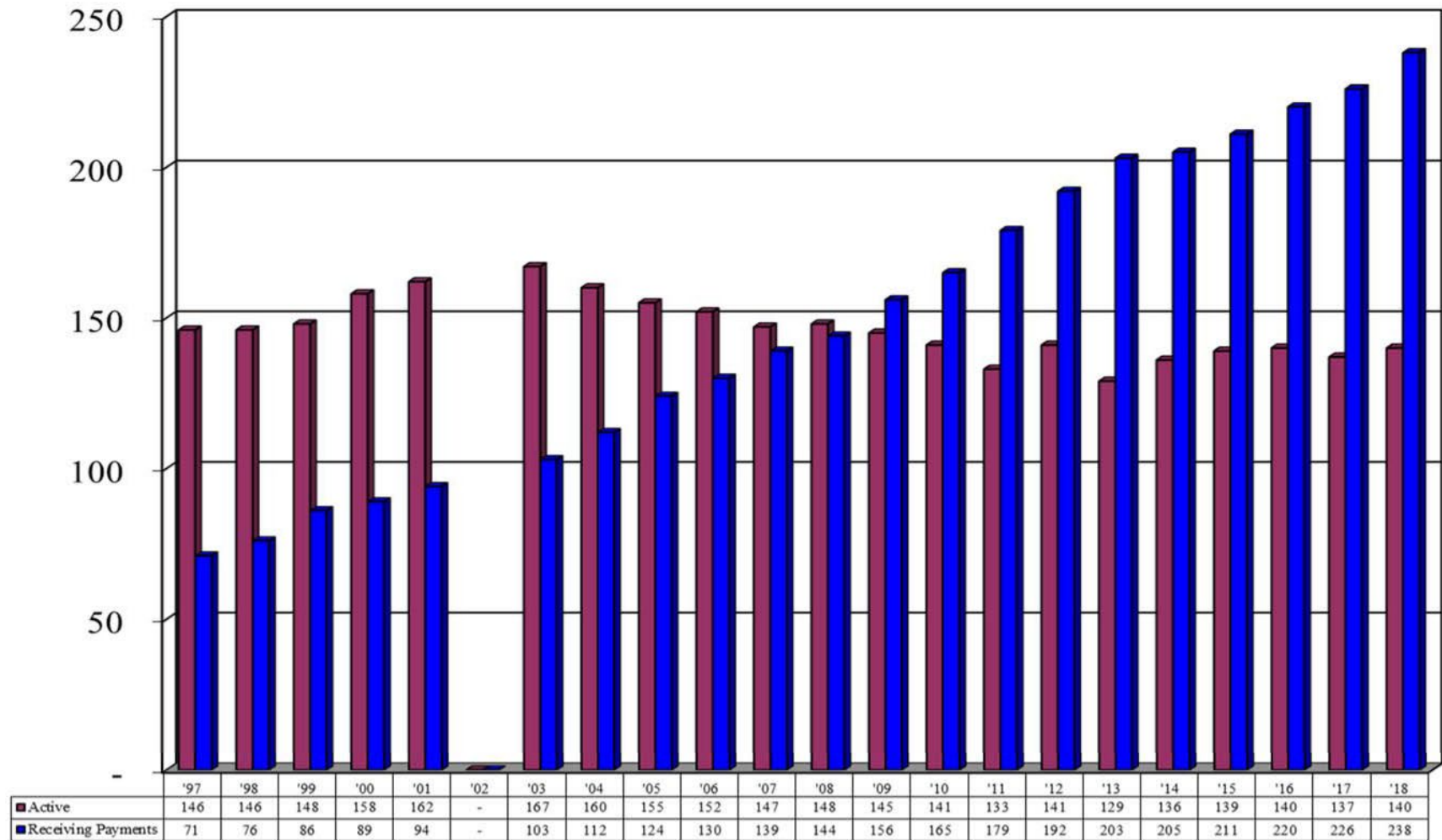
	1998	2008	2017	2018
<b>Actives</b>				
■ Counts	146	148	137	140
■ Average				
• Age	39	41	42	41
• City Service	12	14	13	12
• PERSable Wages	\$ 85,700	\$ 127,500	\$ 148,000	\$ 150,700
■ Total PERSable Wages	12,500,000	18,900,000	20,300,000	21,100,000
<b>Inactive Members</b>				
■ Counts				
• Transferred	26	37	17	16
• Separated	18	18	14	14
• Retired				
□ Service	25	66	129	134
□ Disability	46	64	73	75
□ Beneficiaries	5	14	24	29
□ Total	76	144	226	238
■ Average Annual City Provided Benefit for Service Retirees <sup>7</sup>	31,000	62,600	80,200	84,100

<sup>7</sup> Average City-provided pensions are based on City service & City benefit formula, and are not representative of benefits for long-service employees.



# SUMMARY OF DEMOGRAPHIC INFORMATION -SAFETY

480



6/30/2002 data are not available.



January 21, 2020



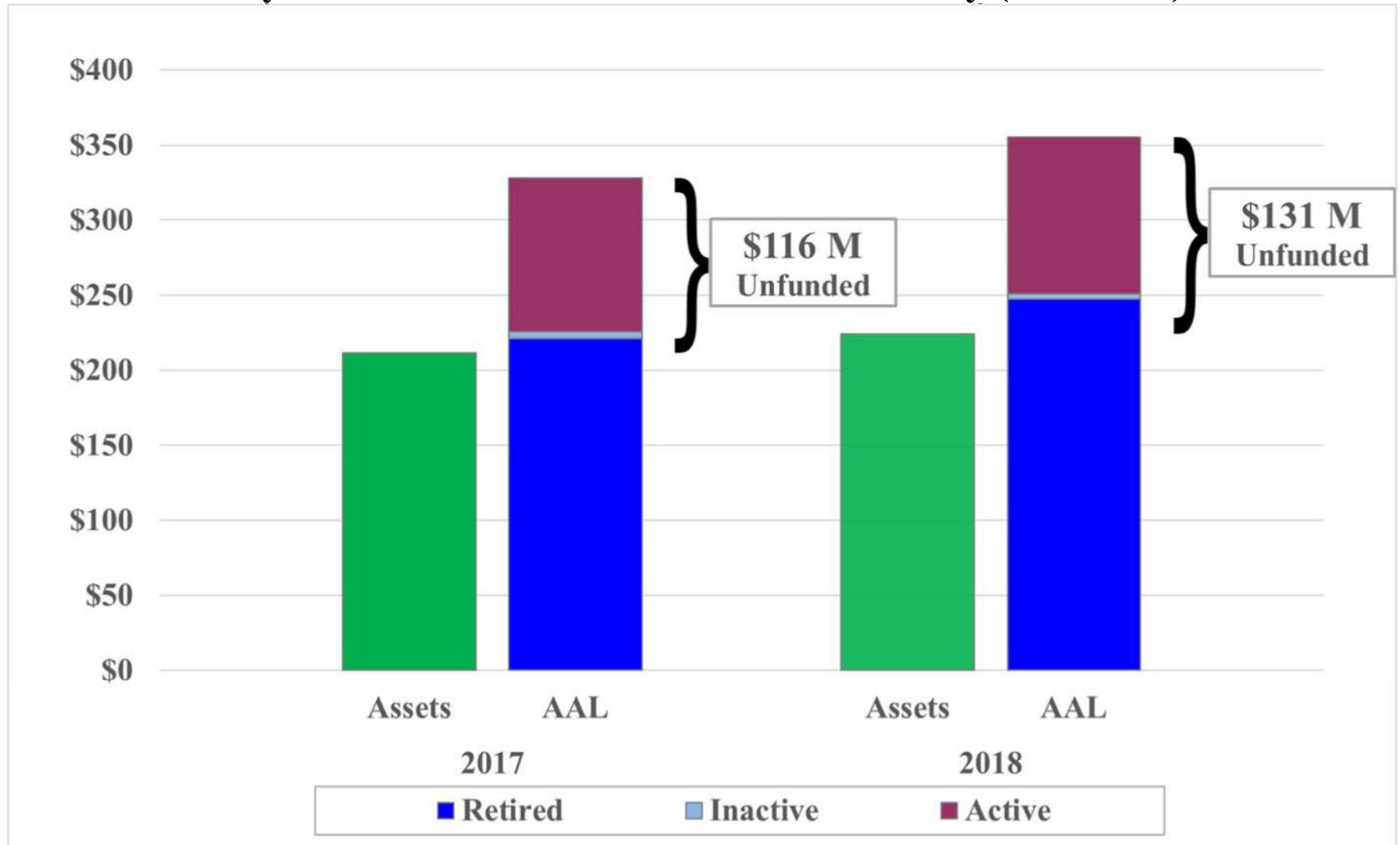
## PLAN FUNDED STATUS -SAFETY

481

	<u>June 30, 2017</u>	<u>June 30, 2018</u>
■ <b>Actuarial Accrued Liability</b>		
● Active	\$ 102,500,000	\$ 104,700,000
● Retiree	221,300,000	247,300,000
● Inactive	<u>4,300,000</u>	<u>3,600,000</u>
● Total	328,100,000	355,600,000
■ <b>Assets</b>	<u>211,700,000</u>	<u>224,300,000</u>
■ <b>Unfunded Liability</b>	116,400,000	131,300,000
■ <b>Funded Ratio</b>	64.5%	63.1%



## City CalPERS Assets and Actuarial Liability (\$Millions)





**Discount Rate Sensitivity**

**June 30, 2018**

	<b>Discount Rate</b>		
	<b><u>7.00%</u></b>	<b><u>6.50%</u></b>	<b><u>6.00%</u></b>
<b>AAL</b>	\$ 355,600,000	\$ 379,500,000	\$ 403,400,000
<b>Assets</b>	224,300,000	224,300,000	224,300,000
<b>Unfunded Liability</b>	131,300,000	155,200,000	179,100,000
<b>Funded Ratio</b>	63.1%	59.1%	55.6%

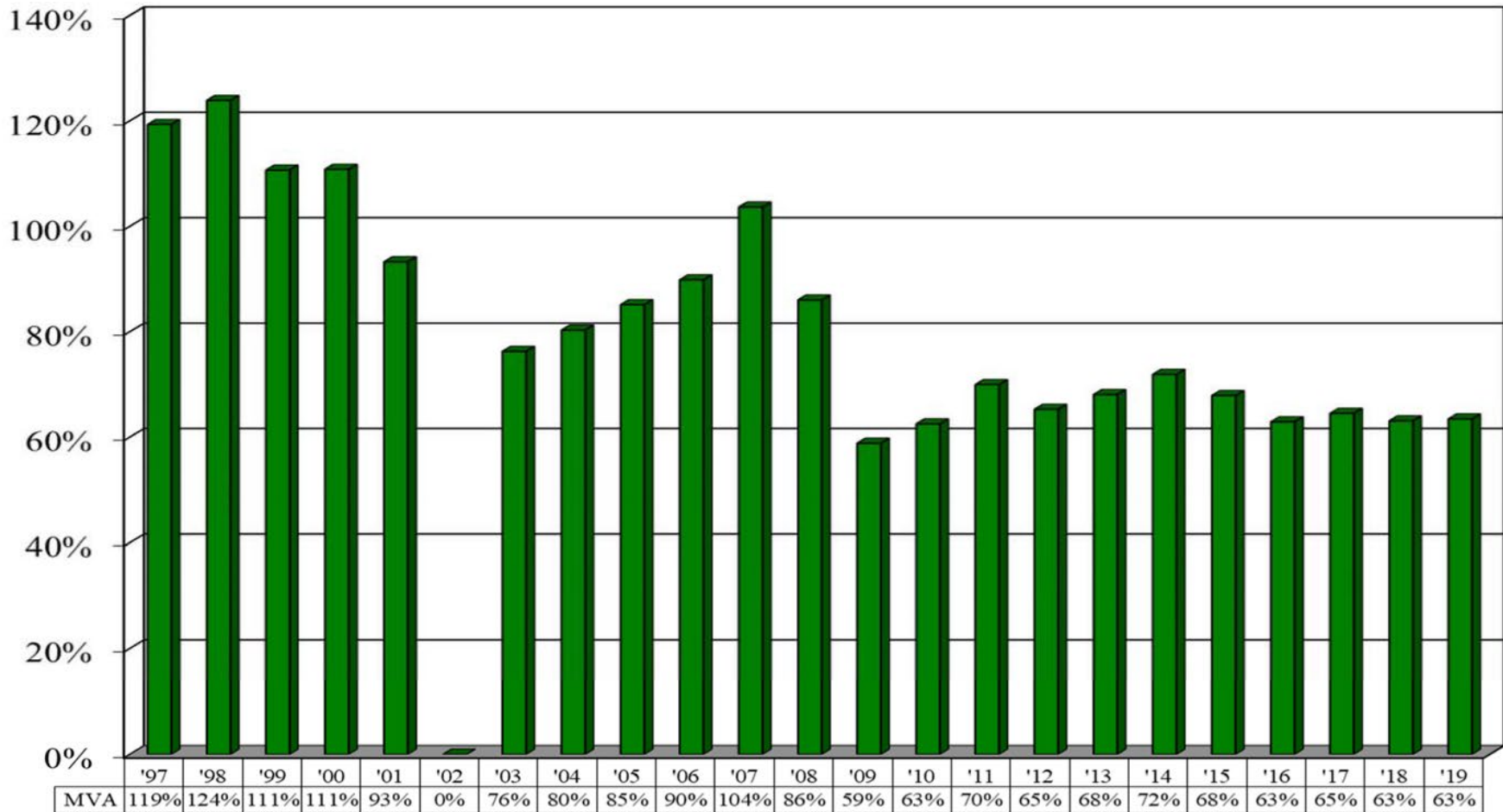
**Unfunded Accrued Liability Changes**

■ <b>Unfunded Accrued Liability on 6/30/17</b>		\$ 116,400,000
■ <b>Expected 6/30/18 Unfunded Accrued Liability</b>		119,700,000
■ <b>Other Changes</b>		
• Asset Loss (Gain) (8.6% return for FY 2018)	(2,500,000)	
• Assumption Change (DR 7.25% → 7%)	9,900,000	
• Method Change (Software system)	1,800,000	
• Contribution & Experience Loss (Gain)	2,400,000	
• Total		<u>11,600,000</u>
■ <b>Unfunded Accrued Liability on 6/30/18</b>		131,300,000
■ <b>Projected Unfunded Accrued Liability on 6/30/19</b>		135,100,000

# FUNDED RATIO - SAFETY

485

## Historical Funded Ratio



Funded status for 6/30/02 is not available. 6/30/19 funded status is estimated.



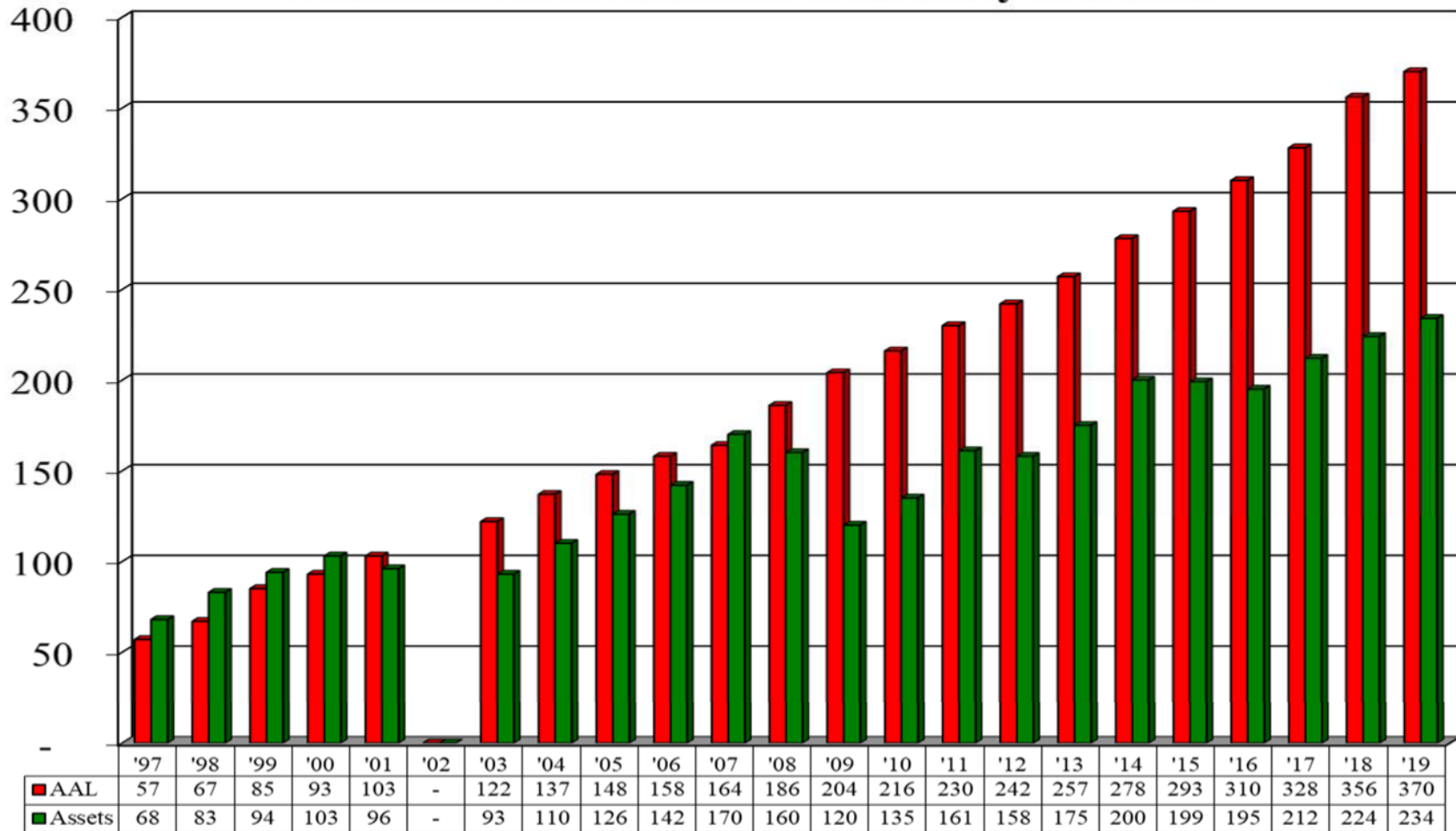
January 21, 2020



## FUNDED STATUS (MILLIONS) -SAFETY

486

**Historical Actuarial Accrued Liability vs. Assets**



Funded status for 6/30/02 is not available. 6/30/19 funded status is estimated.



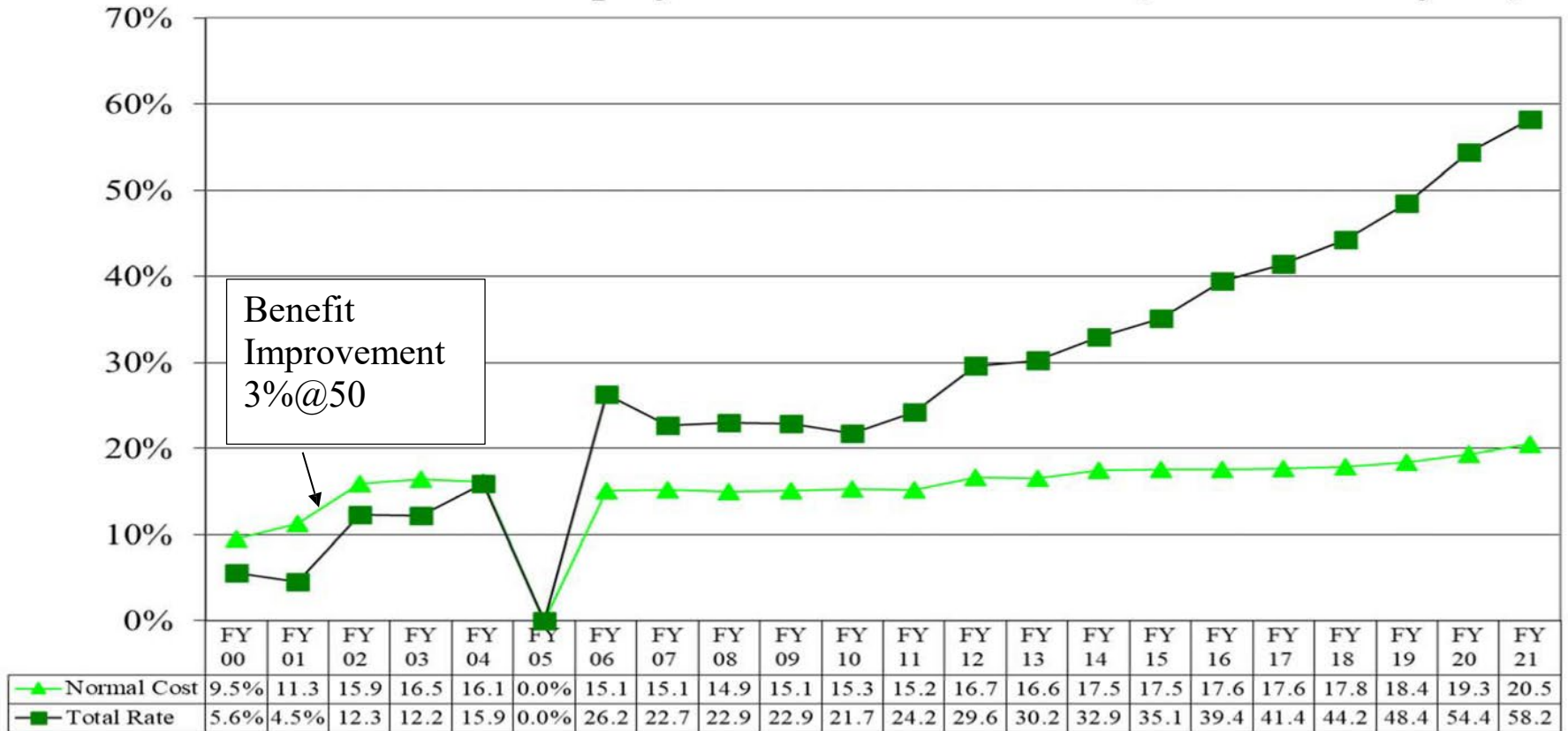
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# CONTRIBUTION RATES - SAFETY

487

## Historical Employer Contribution Rates (Percent of Payroll)



Rates for FY05 are not available



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## CONTRIBUTION RATES - SAFETY

488

	<b>6/30/17 <u>2019/2020</u></b>	<b>6/30/18 <u>2020/2021</u></b>
■ Total Normal Cost	28.4%	29.6%
■ Employee Normal Cost	<u>9.1%</u>	<u>9.1%</u>
■ Employer Normal Cost	19.3%	20.5%
■ Amortization Payments	<u>35.1%</u>	<u>37.7%</u> <sup>8</sup>
■ Total Employer Contribution Rate	54.4%	58.2%
■ 2019/20 Employer Contribution Rate		54.4%
● Payroll > Expected		-0.3%
● 6/30/14 Assumption Change (5 <sup>th</sup> Year)		1.3%
● 6/30/16 Discount Rate Change (3 <sup>rd</sup> Year)		0.5%
● 6/30/17 Discount Rate & Inflation (2 <sup>nd</sup> Year)		0.6%
● 6/30/18 Discount Rate change (1 <sup>st</sup> Year)		2.2%
● Other (Gains)/Losses		<u>-0.5%</u>
■ 2020/21 Employer Contribution Rate		58.2%

<sup>8</sup> Equivalent to 6.3% of UAL. One year, 7% interest on the UAL is 41.6% of payroll.



■ Market Value Investment Return:

● June 30, 2019 6.7%<sup>9</sup>

● Future returns based on stochastic analysis using 1,000 trials

<u>Single Year Returns at<sup>10</sup></u>	<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u>	<u>75<sup>th</sup> Percentile</u>
Current Investment Mix	<b>0.1%</b>	<b>7.0%</b>	<b>14.8%</b>
Ultimate Investment Mix	<b>0.8%</b>	<b>6.0%</b>	<b>11.4%</b>

● Assumes investment returns will, generally be 6.5% (as compared to 7.0%) over the next 9 years and higher beyond that.

■ Discount Rate decreases due to Risk Mitigation policy

■ No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements

■ Different from CalPERS projection

<sup>9</sup> Gross return based on July 2019 CalPERS press release.

<sup>10</sup> N<sup>th</sup> percentile means N percentage of our trials result in returns lower than the indicated rates.

## CONTRIBUTION PROJECTIONS - SAFETY

490

### ■ New hire assumptions:

- 92.5% of 2019/20 new hires are PEPRA members and 7.5% are Classic members
- Percentage of PEPRA member future hires to increase from 92.5% to 100% over 3 years

### ■ 6/30/18 employee distribution:

Benefit Tier	Count	6/30/18 Payroll
● 3%@50 FAE1	92	\$ 15,210,753
● 3%@55 FAE1	20	2,500,260
● 2.7%@57 FAE3 (PEPRA)	28	3,455,032

### ■ Employee Cost Sharing:

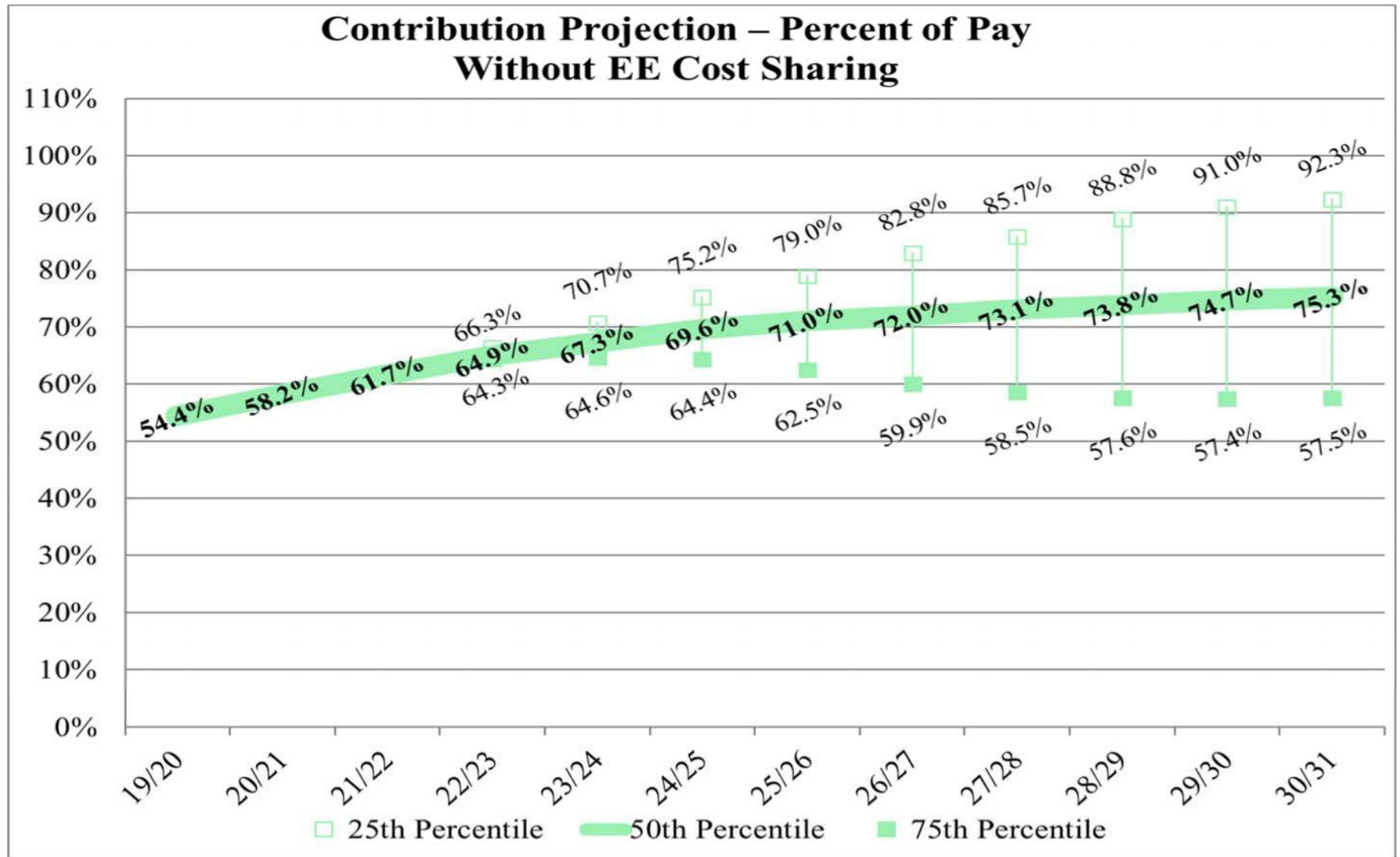
- All Fire employees (Classic and PEPRA) pay 3% toward employer rates
- City provided: 45% of 2018/19 total Safety payroll belongs to Fire employees





# CONTRIBUTION PROJECTIONS - SAFETY

491

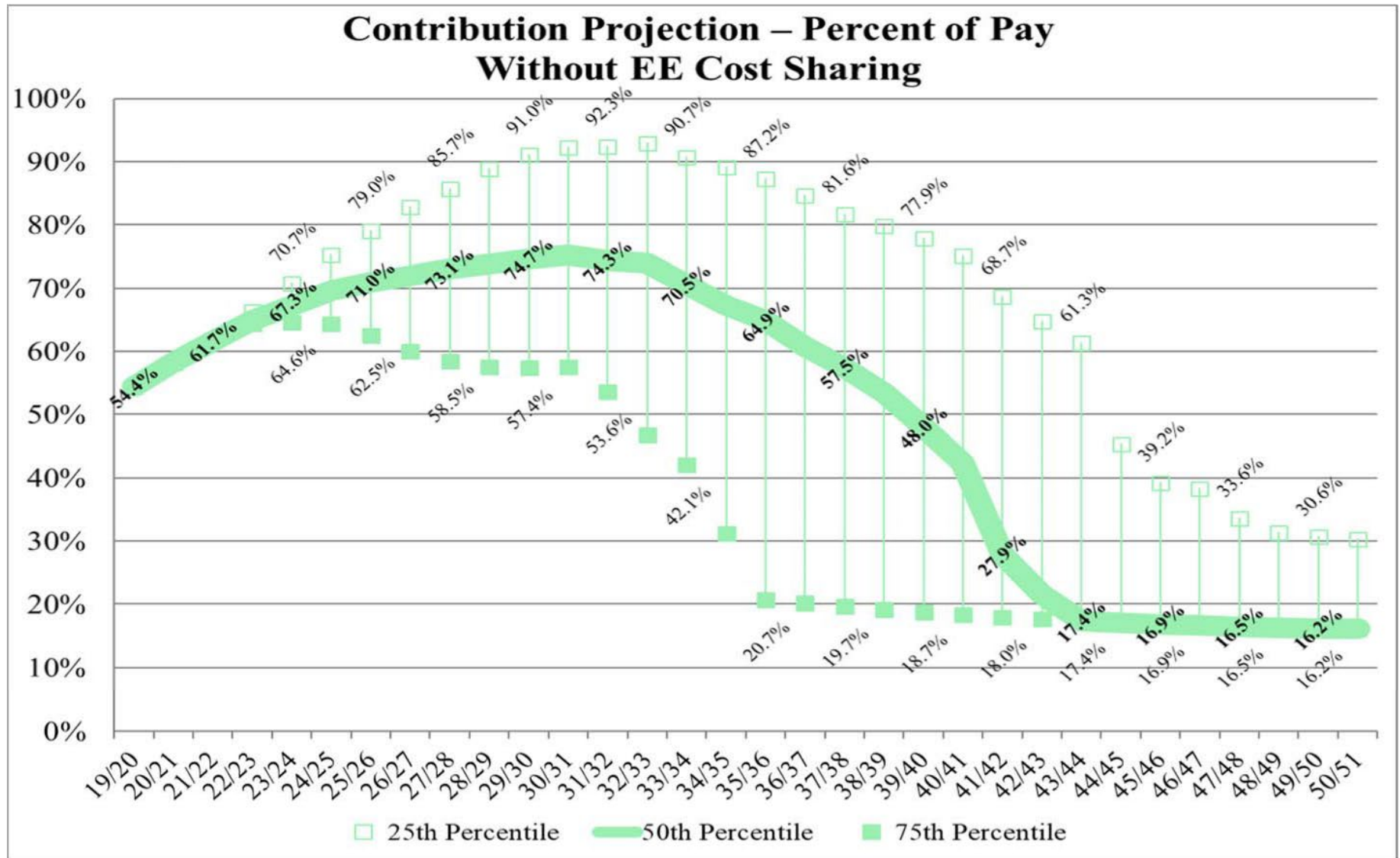


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# CONTRIBUTION PROJECTIONS - SAFETY

492

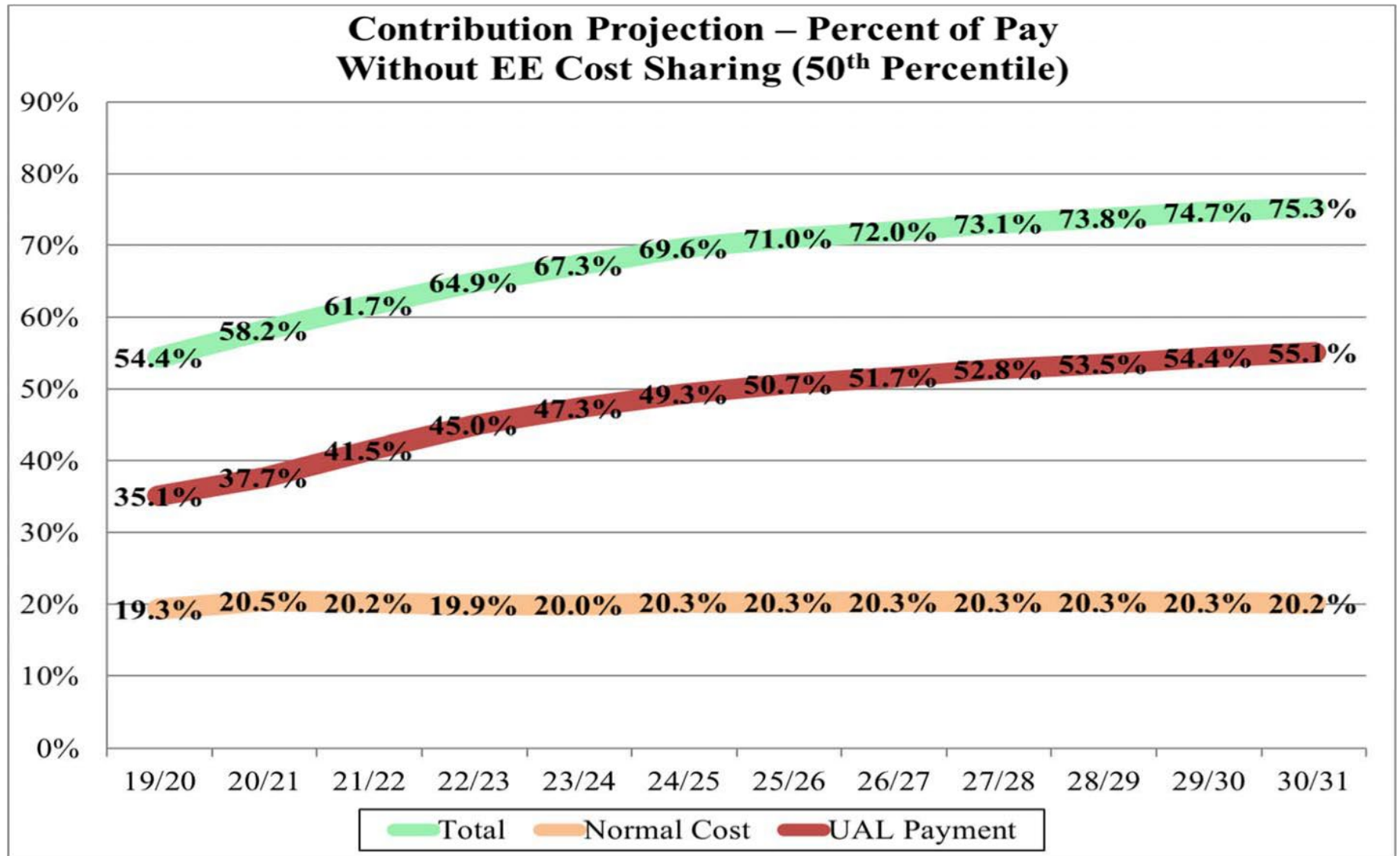


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## CONTRIBUTION PROJECTIONS - SAFETY

493

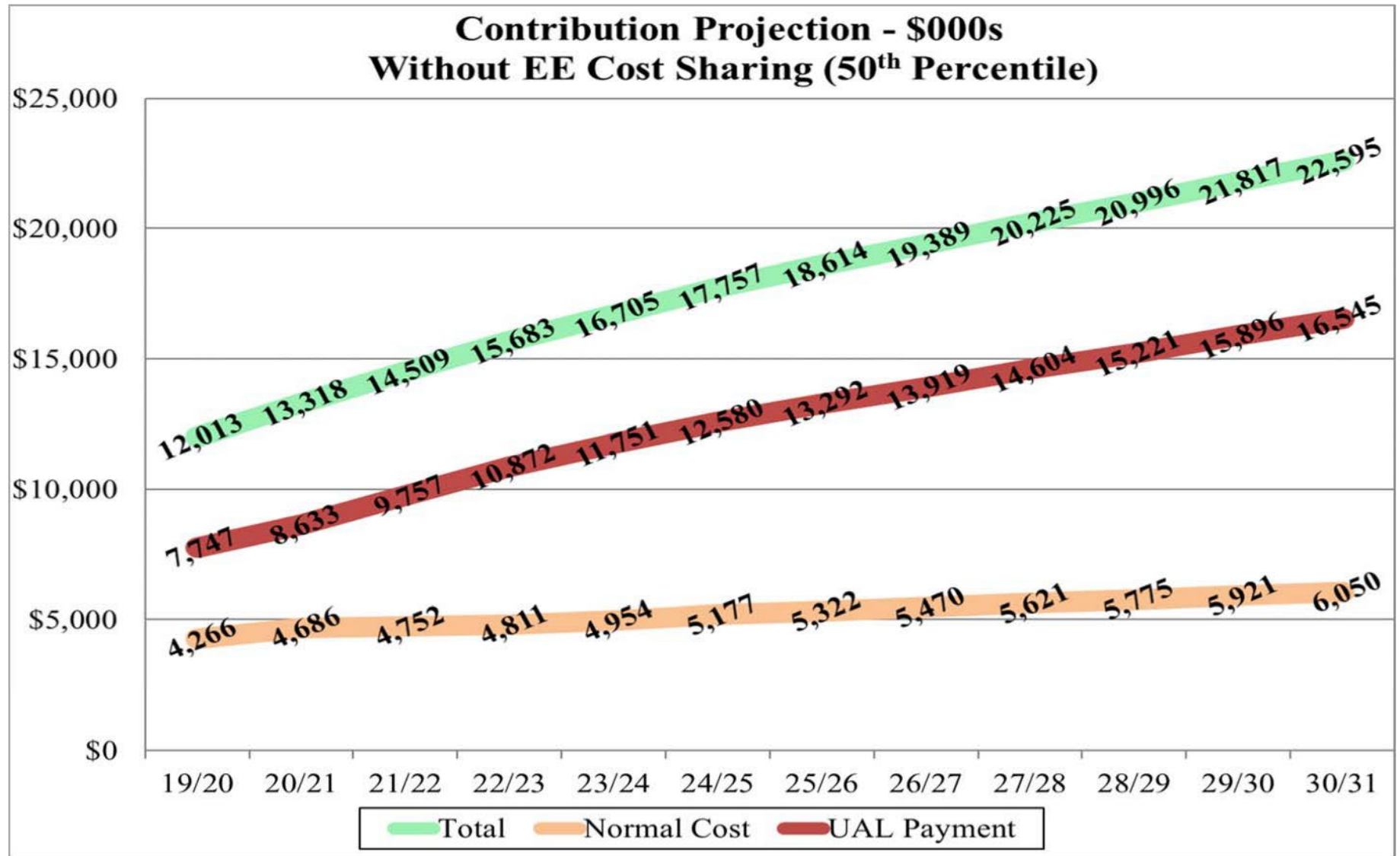


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# CONTRIBUTION PROJECTIONS - SAFETY

494

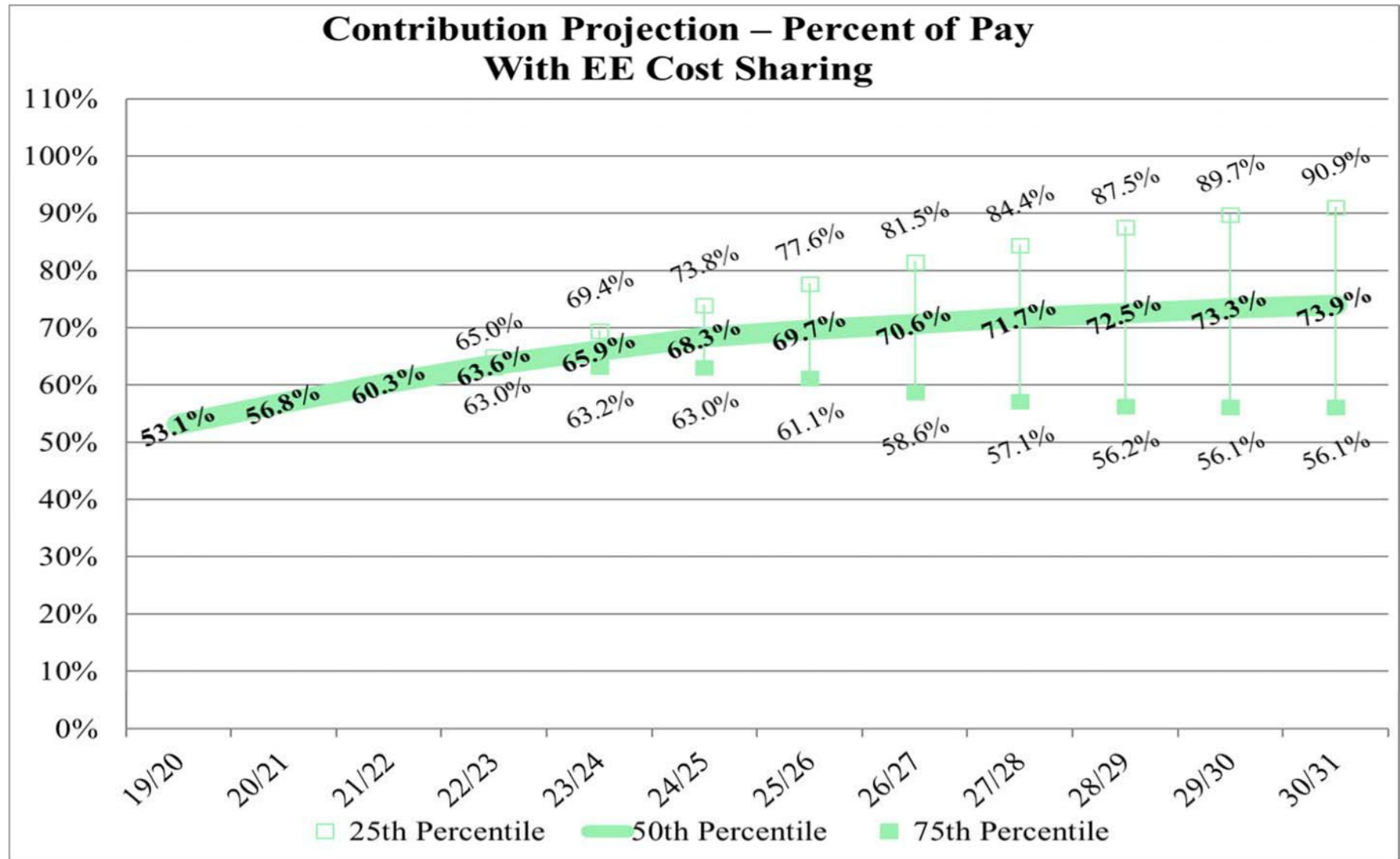


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# CONTRIBUTION PROJECTIONS - SAFETY

495



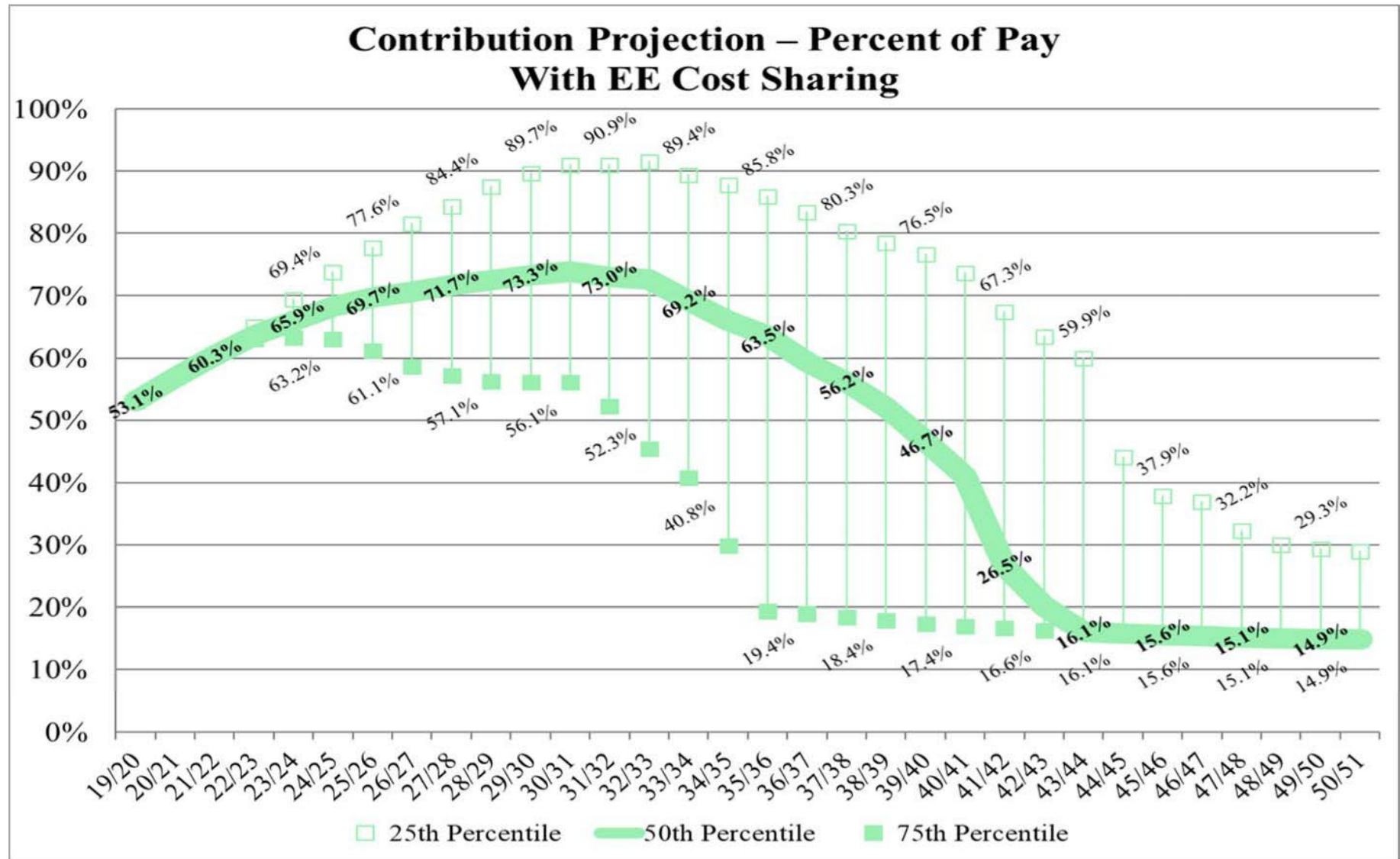
January 21, 2020





# CONTRIBUTION PROJECTIONS - SAFETY

496

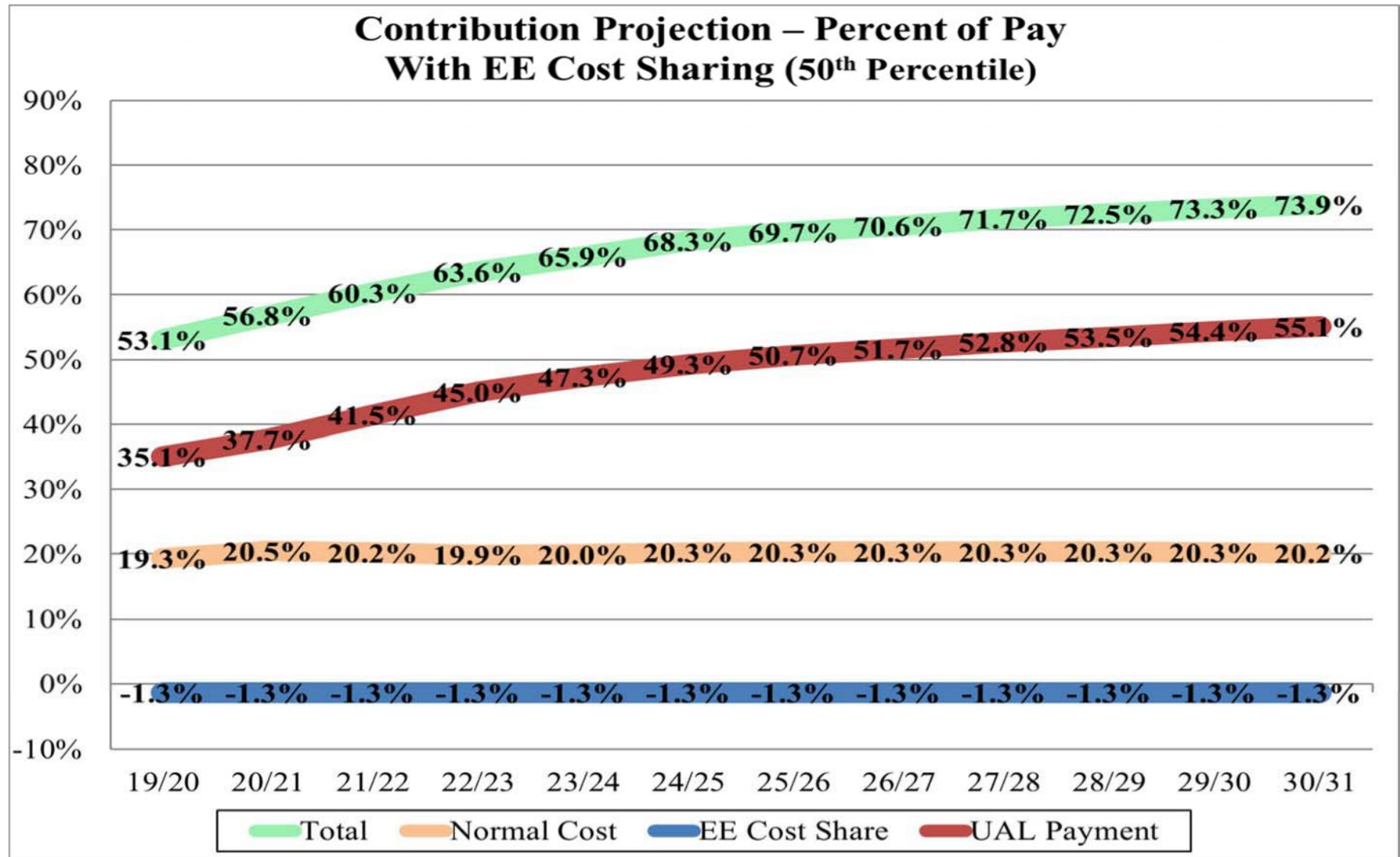


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## CONTRIBUTION PROJECTIONS - SAFETY

497

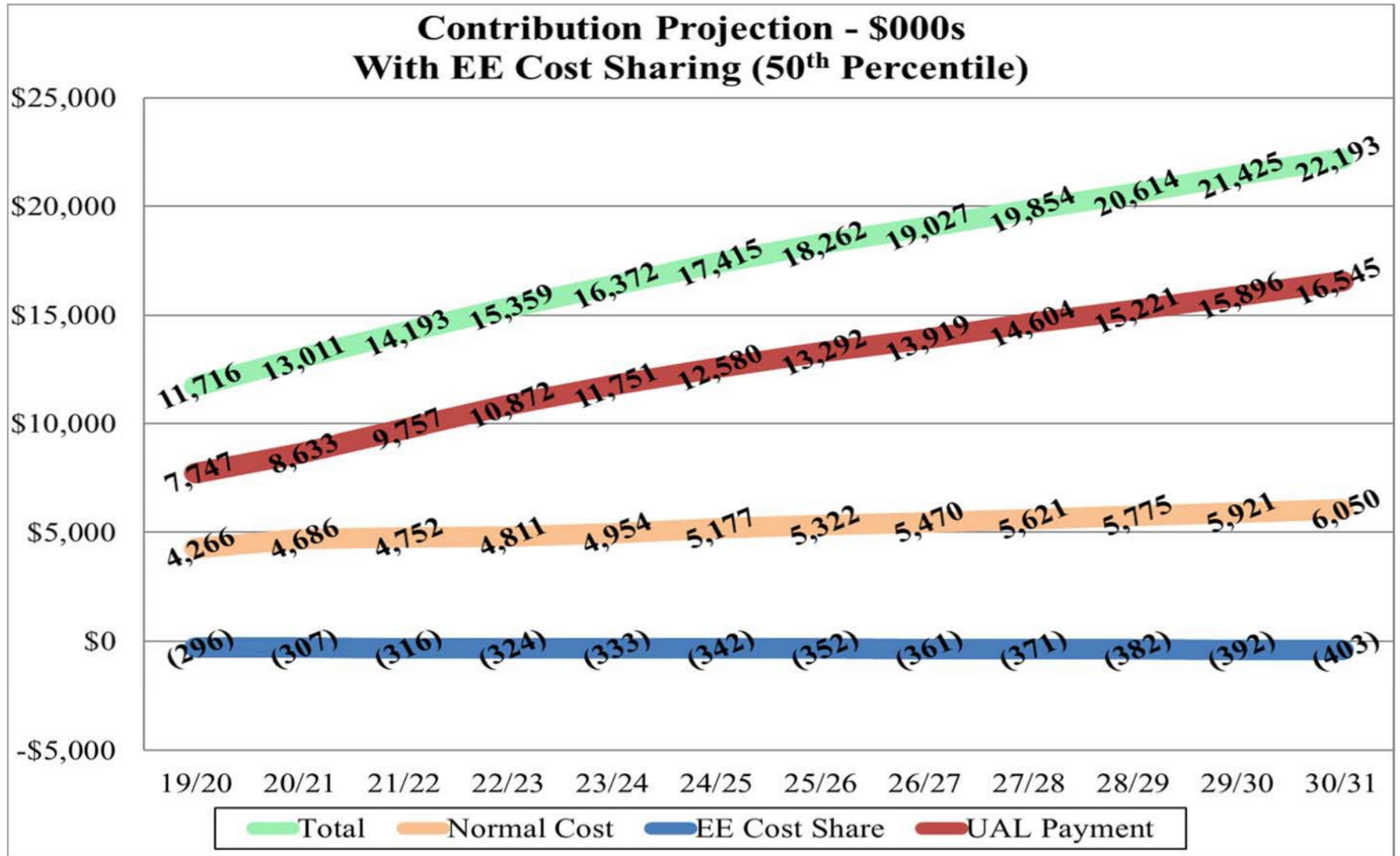


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# CONTRIBUTION PROJECTIONS - SAFETY

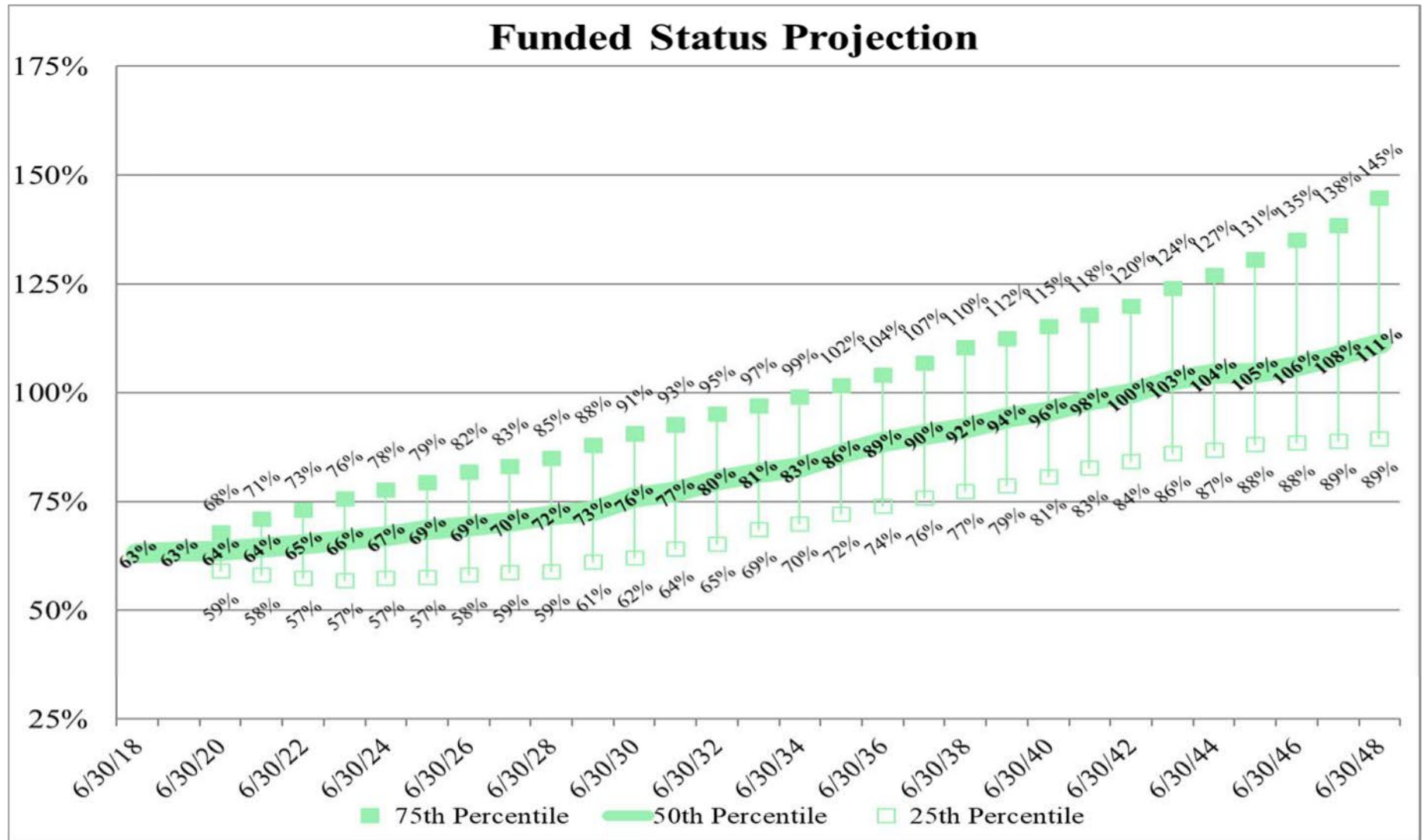
498



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## COMBINED MISCELLANEOUS AND SAFETY

500

### **Funded Status Summary on June 30, 2018**

(Amounts in \$Millions)

	Miscellaneous	Safety	Total
■ AAL	\$ 239	\$ 356	\$ 595
■ Assets	<u>164</u>	<u>224</u>	<u>388</u>
■ Unfunded AAL	75	132	207
■ Funded Ratio	68.5%	63.1%	65.2%



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- Target of 50% of total normal cost paid by all employees
- *PEPRA members* must pay greater of 50% of total normal cost or bargained amount if higher
- Employer cannot pay any part of *PEPRA member* required employee contributions
- Employer may impose current employees pay 50% of total normal cost (limited to 8% of pay for Miscellaneous and 12% for Safety) if not agreed through collective bargaining by 1/1/18
- Miscellaneous Plan 2020/21:

	<u><b>Classic Members</b></u>		<u><b>New Members</b></u>
	<b>Tier 1</b>	<b>Tier 2</b>	<b>PEPRA</b>
	<u><b>2.7% @ 55 FAE1</b></u>	<u><b>2% @ 60 FAE3</b></u>	<u><b>2% @ 62 FAE3</b></u>
● Employer Normal Cost	11.6%	10.6%	7.57%
● Member Normal Cost	<u>8.0%</u>	<u>7.0%</u>	<u>6.25%</u>
● Total Normal Cost	19.6%	17.6%	13.82%
● 50% Target	9.8%	8.8%	6.91%

# PEPRA COST SHARING

502

## ■ Safety Plan 2020/21:

	<u><b>Classic Members</b></u>		<u><b>New Members</b></u>
	<b>Tier 1</b>	<b>Tier 2</b>	<b>PEPRA</b>
	<u><b>3% @ 50 FAE1</b></u>	<u><b>3% @ 55 FAE3</b></u>	<u><b>2.7% @ 57 FAE3</b></u>
● Employer Normal Cost	21.9%	21.8%	13.50%
● Member Normal Cost	<u>9.0%</u>	<u>9.0%</u>	<u>10.00%</u>
● Total Normal Cost	30.9%	30.8%	23.50%
● 50% Target	15.5%	15.4%	11.75%

## ■ PEPRA Member Contributions:

<b>Group</b>	<b>2019/20</b>		<b>2020/21</b>			
	<b>Total NC (Basis)</b>	<b>Member Rate</b>	<b>Total Normal Cost</b>	<b>Change</b>	<b>Member Rate</b>	<b>Method</b>
Miscellaneous	12.63%	6.25%	13.19%	0.55%	6.25%	Pool Basis
Safety	20.17%	10.00%	22.33%	2.16%	11.25%	Pool Basis



This report presents analysis of the City of Milpitas's CalPERS pension plans. The purpose of this report is to provide the City:

- Historical perspective on the plan investment returns, assets, funded status and contributions.
- Projections of likely future contributions and the impact of investment volatility

The calculations and projections in this report are based on information contained in the City's June 30, 2018 and earlier CalPERS actuarial valuation reports. We reviewed this information for reasonableness, but do not make any representation on the accuracy of the CalPERS reports.

Future investment returns and volatility are based on Bartel Associates Capital Market model which results in long term returns summarized on pages 23 and 41.

Future results may differ from our projections due to differences in actual experience as well as changes in plan provisions, CalPERS actuarial assumptions or methodology. Other than variations in investment return, this study does not analyze these.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries meeting the Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,



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Doug Pryor, ASA, EA, MAAA  
Vice President  
Bartel Associates, LLC  
January 21, 2020



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Bianca Lin, FSA, EA, FSA, MAAA  
Assistant Vice President  
Bartel Associates, LLC  
January 21, 2020



January 21, 2020



**22. Approve and Authorize the City Manager to Execute the Agreement with Chandler Asset Management for a Five Year Contract Amount Not to Exceed \$790,000 for Investment Services (Staff Contact: Walter Rossmann, 408-586-3111)**

Recommendation: Approve and authorize the City Manager to execute the agreement with Chandler Asset Management for a five year contract amount not to exceed \$790,000, with the first year of the contract in the amount of \$150,000, for investment services to manage the City's pooled portfolio, subject to the annual appropriation of funds.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Approve and Authorize the City Manager to Execute the Agreement with Chandler Asset Management for a Five Year Contract Amount Not to Exceed \$790,000 for Investment Services</b>
<b>Category:</b>	Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Walter C. Rossmann, Finance Director, 408-586-3111
<b>Recommendation:</b>	Approve and authorize the City Manager to execute the agreement with Chandler Asset Management for a five year contract amount not to exceed \$790,000, with the first year of the contract in the amount of \$150,000, for investment services to manage the City's pooled portfolio, subject to the annual appropriation of funds.

### **BACKGROUND:**

The City of Milpitas currently internally manages the investment of its pooled portfolio, which as of June 30, 2019 totaled approximately \$332 million. Of this amount, approximately \$89 million was invested with the State's Local Agency Investment Fund (LAIF) to meet the City's liquidity needs. The City currently has three approved brokers from which investments are made. Portfolio evaluation and reporting are currently performed using Sympro software. For the last decade, the investment of the pooled portfolio has been assigned as a collateral duty to the Finance Technician position. The duties of this position do not provide for effectively researching and analyzing investments which resulted in a dependence on brokers, treasury bonds, LAIF and cash and generated low yields in comparison to the appropriate benchmark. As of the last quarterly investment report, the City's investment pool earned 2.16%, while the performance benchmark of the 3-year Treasury Note earned 2.17% and LAIF earned 2.28%. The average yield for the last four quarters was 2.13% earning the City \$5.2 million in investment income.

As part of the adoption of the FY 2020-21 Budget, Council approved funding to outsource the management of the City's pooled cash portfolio.

### **ANALYSIS:**

On September 13, 2019 the Purchasing Division released a Request for Proposals (RFP) #2373 seeking proposals from qualified vendors with demonstrated experience in managing municipal investment portfolios and implementing a municipal investment policy.

The RFP was publicly noticed in accordance with the City's Municipal Code, advertised on the City's website and emailed to companies registered with the City via ProcureNow.com (the City's eProcurement system). Upon release, 76 firms received the solicitation notification and 15 firms downloaded the RFP documents. The Purchasing Division received two proposals by 2:00 pm on the October 11, 2019 deadline in response to the RFP from PFM Asset Management, LLC and Chandler Asset Management, Inc.

The evaluation committee reviewed proposals based on the following criteria:

1. Cover Letter
2. Company Profile
3. Execution Plan
4. Personnel Assigned
5. Experience
6. References, and
7. Proposed Compensation

After an initial evaluation by three City staff members and one outside evaluator, who comprised the evaluation committee, both firms were invited to and attended an interview to establish their experience, approach, as well as risk and performance analysis in managing municipal investment portfolios. Onsite interviews were held at City Hall on November 7, 2019 and scoring was finalized on November 14, 2019 based on the interviews.

For Chandler, the top-rated firm, reference checks were performed from November 19-20, 2019 to further understand the firm's performance and user experience with references that Chandler included in its response to the RFP. References rated Chandler as an excellent, responsive and knowledgeable firm that assisted each City that served as a reference in increasing its investments. For one city, Chandler was able to increase the investment return by 150%. This was due to Chandler having a greater ability to focus on asset management and its greater knowledge of investing compared to an employee who was charged with these investments as additional duties to her/his job.

The table below shows the final evaluation scores with the recommended firm highlighted in green:

<b>RFP NO: 2373</b>	<b>PFM Asset Management, LLC</b>	<b>Chandler Asset Management, Inc.</b>
<b>Final RFP Evaluation Scores</b>	83.75	90.5

Chandler Asset Management, Inc. has a long-standing commitment and proven record of performance as an investment manager to the public sector. It was founded in 1988 and has kept paramount the common investment objectives of public agencies of safety of principal, liquidity, and above-market returns over an investment cycle. Their risk management practices and relationship-based approach to investment management have led to the firm's growth, working with 143 public agencies nationwide currently managing over \$19.6 billion in assets (see attachment for further information regarding Chandler and case studies from local cities regarding the management of their cash pools).

Chandler will work as a fiduciary on every aspect of the investment program including:

- investment policy development and review,
- cash flow analysis and forecasting, and
- portfolio optimization through the careful control of risk.

Chandler will implement investment strategies that meet the City's risk and return requirements as outlined in the Council approved investment policy, ensure sufficient cash liquidity, conduct education and training to staff, and provide comprehensive investment reporting. The City will maintain its relationship with the Bank of New York (BNY) as the City's cash custodian, ensuring that Chandler will never have direct access to any money in the City's investment account. All deposits and withdrawals from the investment account with BNY will still be initiated by City staff. Chandler will only have access to initiate trades to purchase and sell securities that will remain in the investment account with BNY.

Staff recommends the City Council approve Chandler Asset Management as the most qualified vendor. Once Council approves staff's recommendation, staff will transition the investment services to Chandler by March 31, 2020.

#### **POLICY ALTERNATIVE:**

##### **Alternative: Do not outsource the management of the City's investment pool.**

Pros: The City would avoid paying annual fees estimated at \$150,000 based on the estimated amount of invested funds outside of LAIF.

Cons: The City would not take advantage of the expertise and know-how of an investment firm.



**Reason for Not Recommending:** To increase yields on the City's cash pool, the City would have to invest significantly in staff such as reclassify the Finance Technician position to a Financial Analyst position, dedicate more staff time for the investment function, allocate existing staff capacity from other duties for back-up duties, and train the primary and secondary position in a complex field. In turn, to offset Chandler Asset Management, Inc. annual estimated fee of \$150,000, the firm needs to raise the average annual yield by 5.0 basis points or 0.05 percentage point, which Chandler has achieved with other cities with better access to financial markets. Further, by contracting with Chandler, the City is also bolstering compliance regarding the safety of its portfolio as Chandler applies a credit review process to its investment program and follows rigorous risk management practices.

**FISCAL IMPACT:**

The City is heavily invested in LAIF. Therefore, staff anticipates that approximately \$50 million from the City's LAIF accounts may be transferred to the portfolio of securities to be managed by Chandler, leaving about \$40 million for liquidity needs. With this shift, Chandler may manage approximately \$300 million in the first year of the contract for an estimated annual fee of \$150,000 per the tiered fee structure based on millions of dollars invested as shown below. The annual fee would average approximately 5.0 basis points (0.05 of 1%), but may average slightly higher or lower, depending on the amount ultimately managed. Chandler's return goals will be to enhance the portfolio's interest income as well as underlying market value. Given Chandler's experience and record for generating risk-adjusted above market returns while maintaining safety and liquidity (the California Government Code-mandated objectives of the City's investment program), staff recommends the award of contract.

**Fee Schedule**

Assets Under Management	Annual Asset Management Fee
First \$50 million	0.08 of 1% (8 basis points)
Next \$75 million	0.06 of 1% (6 basis points)
Next \$125 million	0.04 of 1% (4 basis points)
Assets over \$250 million	0.03 of 1% (3 basis points)

Chandler calculates fees based on the average monthly balance of assets under their direct management. Fees are charged monthly in arrears. The fee schedule is firm for the entire five-year term of the agreement and the City will not be subject to any fee schedule increases during this period. Further, there are no separate or one-time fees associated with the investment management and advisory services provided. The proposed fee schedule is all-inclusive for the services that Chandler provides, including full time investment management, technological resources, onboarding and implementation, online access to the Chandler Client Portal, comprehensive reporting, meetings, personal visits, and educational offerings for staff as well as the treasury management support services.

To arrive at the not-to-exceed contract amount for the five-year contract, staff had to model possible future balances. The modeling assumes a 5% growth in the City's cash pool in addition to up to \$50 million transferred to the portfolio of securities. Based on the tiered fee structure for assets under management, the estimated contract amount for the five-year contract is \$790,000.

Contract Year	Assets Under Management	Estimated Annual Contract Amount
<b>Year 1</b>	\$ 300 million	\$150,000
<b>Year 2</b>	\$ 313 million	\$154,000
<b>Year 3</b>	\$ 326 million	\$158,000
<b>Year 4</b>	\$ 340 million	\$162,000
<b>Year 5</b>	\$ 354 million	\$166,000
<b>Total Five-Year Contract Estimated Amount</b>		<b>\$790,000</b>

**California Environmental Quality Act:**

Not applicable

**Recommendation:**

Approve and authorize the City Manager to execute the agreement with Chandler Asset Management for a five year contract amount not to exceed \$790,000, with the first year of the contract in the amount of \$150,000, for investment services to manage the City's pooled portfolio, subject to the annual appropriation of funds.

**Attachments:**

- 1) Chandler Asset Management – introduction for City of Milpitas
- 2) Case Studies for Current Clients
- 3) Professional Services Agreement with Chandler Asset Management

*“We believe if we do what is right for our clients, our own success will follow.”*

## ■ *Independent & Employee-Owned*

- Fixed income specialist since 1988
- Founded by public investment professionals
- 148 government clients including over 60 Cities
- Headquartered in San Diego, California with local office in Marin County

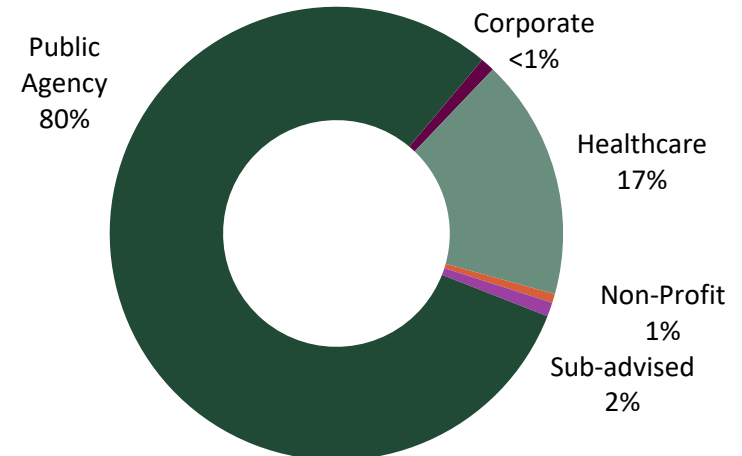
## ■ *Custom Investment Programs*

- Investment solutions based on your risk profile and return goals
- Strategies for operating, short, and long-term reserves
- Direct contact with investment management team

## ■ *Stable Team of Investment Professionals*

- Team of investment professionals average over 21 years portfolio management experience
- Disciplined, repeatable investment philosophy and process
- Proprietary investment analysis

## Assets Under Management \$19.6 Billion



# Representative List of Institutional Relationships



## Cities

- |                       |                      |                  |                     |                         |
|-----------------------|----------------------|------------------|---------------------|-------------------------|
| • Agoura Hills, CA    | • Corona, CA         | • La Habra, CA   | • Monterey, CA      | • San Clemente, CA      |
| • American Canyon, CA | • Costa Mesa, CA     | • La Mirada, CA  | • Moreno Valley, CA | • San Jacinto, CA       |
| • Arcata, CA          | • Cupertino, CA      | • Lakewood, CO   | • Mountain View, CA | • San Leandro, CA       |
| • Brea, CA            | • Danville, CA       | • Leesburg, FL   | • National City, CA | • San Marcos, CA        |
| • Breckenridge, CO    | • Deltona, FL        | • Long Beach, CA | • Newport Beach, CA | • So. San Francisco, CA |
| • Buena Park, CA      | • Dublin, CA         | • Louisville, CO | • Perris, CA        | • Sunnyvale, CA         |
| • Camarillo, CA       | • Imperial Beach, CA | • Menifee, CA    | • Pittsburg, CA     | • Vallejo, CA           |
| • Chino Hills, CA     | • Indio, CA          | • Merced, CA     | • Pomona, CA        | • Westminster, CA       |

## Counties

## Districts and Other Government Entities

- |                 |   |   |
|-----------------|---|---|
| • Alpine, CA    | • Alameda Corridor Transportation Authority, CA   | • Orange County Transportation Authority, CA      |
| • Calaveras, CA | • Authority for CA Cities Excess Liability, CA    | • Rancho California Water District, CA            |
| • Dakota, MN    | • California Insurance Pool Authority, CA         | • Redwood Empire Municipal Insurance Fund, CA     |
| • Denver, CO    | • California Joint Powers RMA, CA                 | • San Bernardino Municipal Water District, CA     |
| • Gwinnett, GA  | • California Western School of Law, CA            | • San Diego County Regional Airport Authority, CA |
| • Mendocino, CA | • Coachella Valley Water District, CA             | • San Diego County Water Authority, CA            |
| • Routt, CO     | • Colorado Springs Utilities, CO                  | • South Coast Water District, CA                  |
| • Sierra, CA    | • CSAC EIA, CA                                    | • South Metro Fire Rescue Authority, CO           |
|                 | • Eagle River Water & Sanitation District, CO     | • Transportation Corridor Agencies, CA            |
|                 | • E-470 Public Highway Authority, CO              | • Three Valleys Municipal Water District, CA      |
|                 | • First 5 Alameda County, CA                      | • Walnut Valley Water District, CA                |
|                 | • Fontana POA Retiree Benefit Trust, CA           | • WestEd, CA                                      |
|                 | • LA County Metropolitan Transportation Auth., CA | • Western Municipal Water District, CA            |
|                 | • Moulton Niguel Water District, CA               | • Whittier Area Schools Insurance Authority, CA   |
|                 | • Orange County Sanitation District, CA           | • Yolo County Public Agency RMIA, CA              |

## States

- Delaware

*Sample listing of the firm's public agency clients as of 12/31/2019, shown in alphabetical order. This list includes discretionary and non-discretionary clients that have given permission to be listed. It is not known whether the listed clients approve or disapprove of Chandler Asset Management or the services provided.*

## Northern California Clients

City of Alameda	First 5 Santa Clara County
Alpine County	Marin Schools Insurance Authority
Amador County	Mendocino County
City of American Canyon	City of Merced
City of Arcata	City of Monterey
Bay Cities JPIA	City of Mountain View
Big Independent Cities Excess Pool	City of Napa
Calaveras County	City of Orinda
California Earthquake Authority	City of Pittsburg
CJPRMA	City of Pleasant Hill
CSAC Excess Insurance Authority	Redwood Empire Municipal Insurance Fund
CSJVRMA	Sacramento Regional Transit District
City of Cupertino	City of South San Francisco
Town of Danville	City of Sunnyvale
City of Dublin	City of Tracy
City of Fairfield	City of Vallejo
First 5 Alameda County	Yolo County Public Agency Risk Mgmt. Insurance Auth.

*The list includes Northern California clients as of December 31, 2019 listed alphabetically and only includes clients that have given permission to be listed. It is not known whether the clients listed approve or disapprove of Chandler Asset Management and the investment advisory services provided. Includes discretionary and non-discretionary relationships.*

## Case Studies for Current Clients<sup>i</sup>

We believe the following case studies for three California municipal clients demonstrate the expertise in investment management and client service that we provide to our clients:

### City of Sunnyvale – Client Since 2018.

In 2017, Chandler was selected by the City of Sunnyvale to be the City's investment adviser through a competitive RFP process. The City's investment program was growing rapidly as a result of increasing development impact fee revenue. The City's investment program is nearly \$700 million. Though the City historically managed its cash in-house, City staff identified a need for professional management. City staff had successfully managed its own investments, but the size of the funds, staff turnover, and expanding staff duties hindered the City's ability to effectively diversify the portfolio, maintain an optimized cash flow structure, and optimize the investments for return safely. Staff opted to engage Chandler to employ a more sophisticated approach to achieving the investment program goals of safety, liquidity, and return, through a total return investment strategy. Since being engaged by the City, Chandler updated and continues to annually update the City's investment policy, including any changes to the City's approach to socially responsible investing. We also developed an account structure to address reserve tranches with different objectives and unique strategies. We actively increase safety by providing credit review and oversight on all issuers in the portfolio. We also provide monthly and quarterly reporting that makes accounting for the investments an easy task for staff at month end. We provide staff calculations and data every fiscal year-end to meet the requirements of GASB 31, GASB 40, and GASB 72. We also work with staff to project investment earnings during budget season. Effectively, we have saved staff time and energy by doing the heavy lifting of managing the City's funds and taking care of all the interrelated tasks necessary for any public agency investment program. The investment outcomes have been competitive, and staff satisfaction is high.

### City of Cupertino – Client Since 2018.

Through a competitive RFP process, Chandler was selected as the discretionary investment adviser for the City of Cupertino. We began the engagement with multiple in-person meetings with the City's staff to fully understand the City's current investment process and challenges that exist for the City and staff. Following a complete understanding of the City's goals and objectives we provided a comprehensive review of the City's investment policy. We made recommendations to that more closely aligned the investment policy with California Government Code and suggested best practices for local public agencies and presented our recommendations to the City's Audit Committee. We conducted a thorough cash flow analysis to understand the City's liquidity requirements and worked with staff to create an optimal investment program. The City decided to establish a longer-term investment program measured against a 1-5 year benchmark. We work with staff continually and assist staff in the presentation of portfolio activity and economic updates to the Audit Committee. We have also discussed with staff the impact of implementing a strategy to honor stakeholders concerns with fossil fuel investments.

### City of Merced – Client Since 2018.

In 2017, Chandler was selected by the City of Merced to be the City's investment advisor through a competitive RFP process. The City of Merced is located in the Central Valley and was not immune to the challenges from the 2008 recession. The City has continued to grow highlighted by the establishment of the newest University of California Campus at UC Merced. The City decided to seek the services of an independent investment advisor to assist with managing their investments and ensure that the objectives

of safety, liquidity and return were being met. We began the engagement by consulting with the City to gain a thorough understanding of the goals and objectives of the stakeholders, including the City's accounting staff, Finance Department and City Manager's Office. We undertook a comprehensive review of the investment policy and current portfolio and discovered that the City held securities that did not meet policy requirements. We conducted an extensive cash flow analysis, worked with staff to develop an investment strategy, and created a comprehensive educational training program for the staff. The City was concerned their investment portfolio was concentrated in positions deemed too short, and we worked with staff to optimally structure and tactically diversify the portfolio while increasing duration, all the while remaining focused on safety and liquidity. In accordance with our commitment to client service, we created a training schedule where on a quarterly basis we provide educational sessions for staff on a wide range of industry related topics. Examples of staff training include "Bond Basics 101", "Understanding the Federal Reserve", and "The Mechanics of Asset-Backed Securities".

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<sup>i</sup> *\*Individual case studies represent actual outcomes related to our services. Approval or disapproval of Chandler Asset Management, Inc.'s services should be verified with each agency listed.*

**PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE  
CITY OF MILPITAS AND CHANDLER ASSET MANAGEMENT**

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This Agreement is made and entered into as of \_\_\_\_\_, 2020 ("Effective Date") by and between the City of Milpitas, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 455 E. Calaveras Boulevard, Milpitas, California 95035 ("City"), and **Chandler Asset Management**, a California Corporation with its principal place of business at **6225 Lusk Boulevard, San Diego, CA 92121** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

**RECITALS**

- A. City is a public agency of the State of California and is in need of professional services for the following project:

**INVESTMENT SERVICES**

(hereinafter referred to as "the Project").

- B. Consultant is duly licensed and has the necessary qualifications to provide such services.
- C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

**AGREEMENT**

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit A.

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit B.

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **Seven-Hundred Ninety Thousand Dollars and Zero Cents (\$790,000)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.



4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement term and for four (4) years from the date of final payment under the Agreement for inspection by City.

5. Term.

The term of this Agreement shall be from **January \_\_\_\_**, 2020 to **January \_\_\_\_**, 2025 unless earlier terminated as provided herein. The City reserves the right to review the Consultant's performance at the end of each year and cancel all or part of the Agreement.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under Exhibit D (Insurance Requirements), attached hereto and incorporated herein by this reference. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required therein.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is One Thousand Dollars and Zero Cents (\$1,000.00) or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Santa Clara, State of California.

16. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

c. The Consultant understands and accepts that at all times; the Agreement is subject to appropriation of funds by the Milpitas City Council. The Agreement may terminate without penalty, liability or expense of any kind to the City at the end of Agreement term. The City has no obligation to make appropriations for the Agreement in lieu of appropriations for new or other contracts. City budget decisions are subject to the discretion of the Mayor and City Council. Consultant's assumption of risk of possible non-appropriation is a part of the consideration for the Agreement. This section controls against any and all other provisions of the Agreement.

17. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

18. Organization

Consultant shall assign **Carlos Oblites** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Milpitas

455 E. Calaveras Boulevard

Milpitas, California 95035

Attn: Walter C. Rossmann, Director  
of Finance/Risk Manager

CONSULTANT:

Chandler Asset Management

7250 Redwood Boulevard, Suite 300

Novato, California 94945

Attn: Carlos Oblites, SVP, Portfolio Strategist

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

30. Wage Theft Prevention

a. Consultant, and any subconsultant it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code and the Milpitas Minimum Wage Ordinance.

b. BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY, FINDING IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT THAT CONSULTANT OR ITS SUBCONSULTANTS HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) HAS EITHER FULLY SATISFIED EACH JUDGMENT, DECISION OR ORDER, OR, IF ANY JUDGMENT, DECISION OR ORDER HAS NOT BEEN FULLY SATISFIED, CONSULTANT AFFIRMS THAT IT OR ITS SUBCONSULTANT(S) IS CURRENTLY SATISFYING SAID JUDGMENT, DECISION OR ORDER THROUGH A PAYMENT OR ALTERNATIVE PLAN APPROVED BY THE APPLICABLE COURT/GOVERNMENT AGENCY AND THAT CONSULTANT OR ITS SUBCONSULTANT(S) ARE IN COMPLIANCE WITH SAID PLAN AS OF THE DATE OF EXECUTING THIS AGREEMENT.

c. If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that Consultant or a subconsultant it employs to perform work under this Agreement has violated any applicable wage and hour law, or Consultant learns of such a judgment, decision, or order that was not previously disclosed in its bid/proposal, Consultant shall inform the City no more than fifteen (15) calendar days after the judgment, decision or order becomes final or from the date of learning of the final judgment, decision or order. Consultant or its subconsultant(s) shall, within thirty (30) calendar days after notifying the City, either (i) fully satisfy any such judgment, decision, or order and provide the City with documentary evidence of satisfying said judgment, decision or order; or (ii) provide the City documentary evidence of a payment or other alternative plan approved by the court/government agency to satisfy the judgment, decision or order. If the Consultant or its subconsultant is subject to a payment or other alternative plan, the Consultant or its subconsultant shall continue to submit documentary evidence every thirty (30) calendar days during the term of the Agreement demonstrating continued compliance with the plan until the judgment, decision or order has been fully satisfied.

d. For purposes of this Section, a "final judgment, decision, or order" refers to one for which appeals have been exhausted or the time period to appeal has expired. Relevant investigatory government agencies include the United States Department of Labor, the California Division of Labor Standards Enforcement, the City, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

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e. Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

f. Notice provided to the City shall be addressed to: Attention: Finance Director, 455 E. Calaveras Blvd. Milpitas, CA 95035. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

**[SIGNATURES ON FOLLOWING PAGE]**

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF MILPITAS  
AND CHANDLER ASSET MANAGEMENT**

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**CITY OF MILPITAS**

*Approved By:*

\_\_\_\_\_  
Steven G. McHarris, Interim City Manager

\_\_\_\_\_  
Date

*Approved As To Form:*

\_\_\_\_\_  
Christopher J. Diaz, City Attorney

*Approved:*

\_\_\_\_\_  
Walter C. Rossmann, Director of Finance/  
Risk Manager

**CHANDLER ASSET MANAGEMENT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
DIR Registration Number (If Applicable)

## Scope of Services

### PROJECT OVERVIEW

The City of Milpitas currently internally manages the investment of its pooled portfolio, which as of June 30, 2019 totaled approximately \$332 million. Of this amount, approximately \$89 million was invested with the State's Local Agency Investment Fund (LAIF) to meet the City's liquidity needs. The City currently has three approved brokers from which investments are made. Portfolio evaluation and reporting are currently performed using Sympro software.

The City's current Investment Policy is reviewed and adopted annually typically at the first Council meeting of a fiscal year to ensure consistency with the overall objectives of safety, liquidity, and yield and its relevance to current law and financial and economic trends. An investment report is filed and submitted to the City Council quarterly.

Consultant will provide investment management services for the City's pooled portfolio in accordance with the City's Investment Policy, as may be amended from time to time, as further set forth below.

### SCOPE OF SERVICES

Consultant understands and is uniquely qualified to meet and/or exceed all the expectations that the City has for its investment management, advisory, and service needs, and is committed to management of the City's portfolio as a separate managed account.

• **Investment Management Services.** Consultant will provide full-time investment management services for the City pursuant to the prudent expert standard of care required as a fiduciary. Consultant will develop City-specific objectives and constraints for each portfolio through a collaborative process with City staff. Consultant will work with the City's Director of Finance to evaluate and monitor investments in the portfolio within the scope of a comprehensive strategy to ensure safety, meet liquidity needs, and enhance return.

Consultant manages portfolios that are comprised of asset classes in the U.S. fixed income universe that align with the City's objectives of **safety**, **liquidity** and **return**. In California, these are assets that are permitted by California Government Code 53601 and 53635. The composition of Consultant's portfolios includes high quality, short-term investment-grade, U.S. dollar denominated securities including but not limited to:

- a. U.S. Treasuries,
- b. Federal agency enterprise obligations,
- c. municipal bonds,
- d. negotiable CDs,
- e. corporate notes,
- f. supranational securities,
- g. asset-backed securities,
- h. mortgage-backed securities, and
- i. commercial paper.

• **Investment Policy Review.** Consultant will conduct an extensive review of the City's Investment Policy, as well as consult with the City to understand and quantify investment objectives, risk profile, and expected outcomes. Once the investment policy is approved, it becomes the operating guideline for the portfolio. In addition, the Consultant will perform a formal review of the City's investment policy annually to ensure that it is updated to reflect the latest changes to California Government Code, as well as incorporate the City's objectives and cash flow needs that may change over time. Recommendations are meant to incorporate best practices that provide clarification, increase return potential, and improve risk management.



- **Cash Flow and Maturity Analysis.** The Consultant utilizes proprietary methods to conduct cash flow analysis, forecast cash requirements as an initial step and on an ongoing basis to effectively structure a portfolio that both maintains liquidity and provides the City with opportunities for enhanced returns. Consultant will communicate with the City about current and expected needs in order to maintain cash flow forecasts to manage liquidity, and structure securities in the portfolio to mature on known cash flow dates. Consultant will also identify funds available for longer-term investment in the City's total return investment strategy to take advantage of the yield-curve and the potential for higher returns.

- **Socially Responsible Investments.** Consultant incorporates ESG factors into their fundamental credit research process, as these factors influence the underlying credit quality and longer-term outlook of a corporation. Integrating ESG factors in the credit analysis process is consistent with the underlying tenets of California Government Code – safety, liquidity, and return. While ESG issues evolve over time, Consultant's Credit Committee is charged with ensuring the current and evolving factors are consistent with the current relative value of a given security compared to its peer group. For the City, the Consultant will not purchase securities of companies that receive more than 50% of their revenue from the sale or manufacture of tobacco, alcohol, or firearms.

From a Socially Responsible Investment ("SRI") perspective, Consultant works closely with clients to identify the SRI issues they are looking to address on a case-by-case basis. Global Industry Classification Standards (GICS) and the Calvert Social Index are often utilized to create an SRI program that can be accurately tracked within the Consultant's automated compliance system. Consultant also has the ability to exclude specific securities and issuers as part of an SRI program.

- **Best Execution, Settlement, and Documentation.** Consultant executes securities transactions on a transparent and highly competitive basis, in accordance with their commitment to best execution. As part of this process, the Consultant will seek a broad range of security broker-dealers that provide a high level of market liquidity and product inventory. Consultant will strive to find the best execution for each transaction, seeking multiple price quotations on all purchases and sales, a process which adds to the incremental net economic benefit and value added over time. Trade tickets documenting the Consultants process will be made available to City the same day that trades occur. The Consultants competitive bid process results in an incremental net financial advantage for the City over time.

- **Reconciliation and Settlement.** Consultant invests in best-in-class tools and technology to support the portfolio management process and simplify investment reporting and compliance. Consultant's operations team performs daily reconciliations of cash balances and positions in all accounts. This is completed by comparing each account's cash and security positions in Consultants PAM for Securities accounting system to the relative holdings maintained and provided by the City's custodian bank. Consultant will work with a number of third-party custodians, including the City's current provider, Bank of New York Mellon.

Consultant will assist the City in reviewing custodial and safekeeping arrangements. The Consultants Relationship Manager will review the City's current custodial arrangement, including contractual arrangement, services provided, the City's satisfaction with the services and their cost. Consultant will make recommendations for revisions in the City's existing relationship and assist in selecting a new custodian that best facilitates the City's needs.

- **Establish an appropriate performance benchmark.** Along with an overarching investment strategy designed to meet the City's risk tolerance and return expectations, Consultant will identify an appropriate benchmark to measure portfolio outcomes. The benchmark should reflect the actual securities being purchased and the risks undertaken and should have a similar weighted average maturity and credit profile as the portfolio. The benchmark should also be the basis for discussion about factors contributing to incremental outperformance of the portfolio relative to the benchmark. Consultant will undergo a collaborative process with the City's finance staff to select appropriate benchmarks for each of its portfolios.

- **Portfolio Accounting and Reporting.** Consultant will provide monthly reports that include a management summary of portfolio characteristics, performance and full accounting details. Reports may be structured to include the City's investment accounts as well as its liquid funds in LAIF and cash vehicles. Consultant's consolidation of the City's accounts offers both a "broken-out" as well as an aggregated view of the City's entire investment program for increased transparency and operational efficiency. This provides a rolled up or complete view of the City's investment program. Reports as well as holdings, trade tickets, and historical data is available to the City via Consultant's online reporting tool, the *Chandler Client Portal*. Monthly reports will be available no later than the third business day following month-end. The City will also receive

a quarterly report in a format designed to facilitate discussion between the Consultants designated engagement to City staff.

Reports will be prepared in accordance with state law and the Governmental Accounting Standards Board (GASB) and will be compiled to meet the City's specific needs. Performance for your portfolio will be calculated and reported in compliance with the CFA Institute's Global Investment Performance Standards (GIPS®).

• **Attend meetings with City Staff and Council.** As an investment manager headquartered in California, Consultant will provide timely communication and practice excellent service delivery to the City in all of its contact with City staff. Carlos Oblites (located in the Bay Area), Christopher McCarry and other contacts from the designated team for the City will meet with the City at least quarterly to present the investment portfolio to the City's finance staff. Consultant understands that during any transition and initial period that follows, communication will be frequent in nature and will assist both teams to establish objectives, communication requirements and milestones for the engagement. After this initial period, the team assigned to the City maintains the flexibility to continue to meet as often as the City prefers and will also attend any ad hoc or special meetings and present on fixed income topics throughout the year. Consultant invites the City's staff to their headquarters for periodic meetings, trainings or for the purpose of conducting due diligence.

The Consultant is committed to keeping the City fully informed of local issues, investment strategies, market conditions and developments that are relevant to its investment program and that could potentially impact the City from a risk, opportunity, operational and statutory perspective. Consultant will meet with the City as frequently as they prefer, and the Consultants investment professionals will also be available by phone during business hours.

In addition, the Consultant will communicate regularly via email to the City with updates which include:

1. Weekly economic updates that provide a concise summary of economic and market news of the current week, key economic indicators, as well as topics for the next weeks' economic data releases. The update will be sent via email to City staff and interested parties each Friday;
2. Monthly newsletter that includes a market summary, treasury yield curve graph and monthly percent changes, as well as economic data and statistics; and
3. Ad hoc emails and communication such as Fed rate news, education pieces, white papers, technology and product updates.

• **Serve as a General Resource to the City's staff.** Consultant professionals serve as faculty and committee members for the Government Finance Officers Association (GFOA) and are active participants and sponsors of other national and regional associations that develop recommended best practices and training curricula for public agencies including:

1. the California Society of Municipal Finance Officers (CSMFO),
2. the California Municipal Treasurers Association (CMTA),
3. the California Debt and Investment Advisory Commission (CDIAC),
4. and the CFA Institute.

Consultant is a registered sponsor on the National Registry of CPE Sponsors, affirming its commitment to the delivery of high quality continuing professional education. The Consultant has developed educational materials on a wide range of investment topics, including:

1. risk,
2. duration,
3. benchmarking
4. and total return,
5. corporate credit analysis,
6. accounting and others.

Consultant will provide educational presentations based on best practices of public financial management. Learning opportunities can be scheduled in conjunction with regular portfolio reviews, or at other times more convenient for City staff.

• **Evaluate market risk and develop strategies that minimize the impact on the portfolio.** Consultants for managing downside risk is equally as important as the focus on an investment's upside potential and proves especially valuable for protecting the City's principal in a rising interest rate environment. The Consultants strategies add value in a framework of risk management throughout the investment process including the establishment of:

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1. specific client objectives,
2. purchasing individual securities,
3. and the reinvestment of maturing bonds.

The Consultant will reduce exposure to market risk by diversifying the portfolio by issuer and security type and by establishing and maintaining a target portfolio duration that is consistent with the City's risk profile and investment objectives.

• **Provide assurance of portfolio compliance with applicable policies and laws.** Consultant utilizes Bloomberg AIM, a robust order management and portfolio compliance system to monitor and automate compliance review and report on compliance of the City's investments. Under Consultant's management engagement, the City will derive additional benefits through operational efficiencies and time-saving practices, the Consultant will use Bloomberg AIM as the single platform from trade origination through compliance review. Compliance will be monitored in the City's portfolio daily and reported formally in the monthly report.

• **Broker-Dealer Due Diligence.** The Consultants Investment Management Team will maintain an active, productive relationship with the broker-dealer community in order to promote an ongoing flow of market information and to execute trades for the City at competitive prices. Currently, there are approximately 45 broker-dealers on the Consultant's Approved List. The Consultant will consistently place several dealers in competition and continuously monitor and compare inventories and prices. The Consultant reviews the credentials and regulatory background of each broker-dealer firm and their employees with whom they trade using FINRA's online BrokerCheck System.

• **Additional Terms Agreement.** The **Additional Terms Specific to Investment Management Relationship**, Exhibit E, is incorporated into this agreement.

### Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials Agreement.

### PROPOSED COMPENSATION

1. There are no separate or one-time fees associated with the investment management and advisory services provided. Consultants proposed fee schedule is all-inclusive for the services to be provided, including:
  - a. full time investment management,
  - b. technological resources,
  - c. onboarding and implementation,
  - d. online access to the Chandler Client Portal,
  - e. comprehensive reporting, meetings, personal visits,
  - f. and educational offerings for City staff,
  - g. as well as the treasury management support services described in the scope of services.

Consultants fee schedule does not include charges that the City would incur for third party custodial services. Consultant does not charge fees on funds held in vehicles not directly under their management, including Local Government Investment Pools and internally managed liquid funds; however, Consultant is able to consolidate these funds in City reports.

2. The fee proposal based on Average Assets Under Management by tiers with a breakdown of fees will be:

#### Proposed Fee Schedule for City of Milpitas

Assets Under Management	Annual Asset Management Fee
First \$50 million	0.08 of 1% (8 basis points)
Next \$75 million	0.06 of 1% (6 basis points)
Next \$125 million	0.04 of 1% (4 basis points)
Assets over \$250 million	0.03 of 1% (3 basis points)

The Consultant calculates fees based on the average balance of assets under their direct management (market value including accrued interest), they will fluctuate based on portfolio value. Fees are charged monthly in arrears and can be debited directly from the City's third-party custody account. Pricing is firm for the entire five-year term of the agreement, and the City will not be subject to any increases during this period.

3. There are no expense ratios of funds/portfolios.
4. There are no fees related to the transfer of assets and restrictions or costs related to termination of this contract.

<b>Contract Year</b>	<b>Assets Under Management</b>	<b>Estimated Annual Contract Amount</b>
Year 1	\$ 300 million	\$150,000
Year 2	\$ 313 million	\$154,000
Year 3	\$ 326 million	\$158,000
Year 4	\$ 340 million	\$162,000
Year 5	\$ 354 million	\$166,000
<b>Total Five-Year Contract Amount</b>		<b>\$790,000</b>

## INSURANCE REQUIREMENTS

Please refer to the insurance requirements listed below. **Those that have an "X" indicated in the space before the requirement apply to Contractor's or Consultant's Agreement.**

Contractor or Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor or Consultant, its agents, representatives, employees or subcontractors.

Contractor or Consultant shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements.

Contractor or Consultant shall furnish City with copies of original endorsements affecting coverage required by this Exhibit D. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by City before work commences. City has the right to require Contractor's or Consultant's insurer to provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

### Commercial General Liability (CGL):

\_\_\_ Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

X Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

\_\_\_ Coverage at least as broad as ISO Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$5,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

### Automobile Liability:

X Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor or Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 combined single limit for bodily injury and property damage.

\_\_\_ Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), with limits no less than \$5,000,000.00 combined single limit for bodily injury and property damage.

\_\_\_ Garage keepers' extra liability endorsement to extend coverage to all vehicles in the care, custody, and control of the Contractor or Consultant, regardless of where the vehicles are kept or driven.

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### **Professional Liability (Errors and Omissions):**

X Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \$1,000,000.00 per occurrence or claim, \$2,000,000.00 aggregate.

\_\_\_ (If Design/Build), with limits no less than \$1,000,000.00 per occurrence or claim, and \$2,000,000.00 policy aggregate.

\_\_\_ Insurance appropriate to the Contractor or Consultant's profession, with limit no less than \_\_\_\_\_ per occurrence or claim, \_\_\_\_\_ aggregate

### **Workers' Compensation Insurance:**

X Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor or Consultant provides written verification it has no employees)*

The Employer's Liability policy shall be endorsed to waive any right of subrogation as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees.

### **Contractor's or Consultant's Pollution Legal Liability:**

\_\_\_ Contractor's or Consultant's pollution legal liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000.00 per occurrence or claim and \$2,000,000.00 policy aggregate.

If the Contractor or Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor or Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

### **Cyber Liability Insurance**

\_\_\_ Cyber Liability Insurance with limits not less than \$1,000,000 per claim.

Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor or Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security.

The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

### **Surety Bonds:**

Contractor shall provide the following Surety Bonds:

☐ Bid Bond  
☐ Performance Bond  
☐ Payment Bond

The Payment Bond and Performance Bond shall be in a sum equal to the contract price. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

#### **Other Insurance Provisions:**

The insurance policies are to contain, or be endorsed to contain the following provisions:

#### **X Additional Insured Status and Primary/Non-Contributory Language:**

Contractor's general liability and automobile liability policies shall be primary and shall not seek contribution from the City's coverage and be endorsed to add the City and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 (or equivalent) on the general liability policy. For construction projects, an endorsement providing completed operations coverage for the additional insured on the general liability policy, ISO form CG 20 37 (or equivalent), is also required.

The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

#### **Loss Payee Status – Builder's Risk/Course of Construction Insurance (applicable to Construction Contracts only)**

Contractor or Consultant may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

#### **X Notice of Cancellation, Suspension or Otherwise Voiding Policies:**

Each insurance policy required above shall contain or be endorsed to contain that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except with thirty (30) days' prior written notice by certified mail, return receipt requested to the City.

#### **X Waiver of Subrogation:**

Contractor or Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor or Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Contractor or Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by Contractor or Consultant, its employees, agents and subcontractors.

#### **Completed Operations**



For Construction Agreements, Contractor shall maintain insurance as required by this Agreement to the amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by Contractor.

#### THE FOLLOWING PROVISIONS APPLY TO ALL AGREEMENTS

##### **Deductibles and Self-Insured Retentions (“SIR”):**

Any deductibles or self-insured retentions must be declared to and approved by City. The City may require the Contractor or Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. At the option of the City, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected and appointed officials, officers, attorneys, agents, and employees; or (2) the Contractor or Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

All SIRs must be disclosed to Risk Management for approval and shall not reduce the limits of liability.

Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City.

City reserves the right to obtain a full-certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

##### **Acceptability of Insurers:**

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A-:VII, unless otherwise acceptable to City.

##### **Claims Made Policies: (note - should be applicable only to professional liability, see below)**

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor or Consultant must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor’s Pollution Liability Policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability Policy shall not

contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

### **Subcontractors:**

Contractor or Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

Subcontractor agrees to be bound to Contractor and City in the same manner and to the same extent as Contractor is bound to City under this Agreement and any other contract documents. Subcontractor further agrees to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of the City indemnity and insurance provisions will be furnished to the subcontractor upon request.

### **Verification of Coverage:**

Contractor or Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor or Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

### **Special Risks or Circumstances**

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances.

### **Failure to Comply:**

Each insurance policy required above shall contain or be endorsed to contain that any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected and appointed officials, officers, attorneys, agents, and employees.

### **Applicability of Coverage:**

Each insurance policy required above shall contain or be endorsed to contain that the Contractor's or Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

**Additional Terms Specific to Investment Management Relationship**

1. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from \_\_\_\_\_ (Representative). Chandler is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.
2. Investment Policy. In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Policy, which is attached hereto as Exhibit F.
3. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
4. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): \_\_\_\_\_

5. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.
6. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
7. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
8. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.
9. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler to strive for the best price and execution and for

commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may charge a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.

10. Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.
11. Confidential Relationship. All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Chandler to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
12. Receipt of Brochure and Privacy Policy. Client hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Client further acknowledges receipt of Chandler's Privacy Policy, as required by Regulation S-P.

## City of Milpitas Investment Policy Effective July 1, 2019

### **PURPOSE**

The purpose of this policy is to establish overall guidelines for the management and investment of the City of Milpitas (the City) unexpended funds under authority granted by the City Council. This policy is in compliance with the provisions of the California Government Code, Sections 16340, 16429.1-16429.4, and 53600-53686, the authority governing investments for municipal governments.

### **INVESTMENT OBJECTIVES**

The primary objectives of this investment policy, in order of priority, are safety, liquidity, and yield:

- 1) **Safety** - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. This objective shall be accomplished by mitigating credit risk and market risk.
- 2) **Liquidity** - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be accomplished by structuring the portfolio so that securities mature concurrently with anticipated needs. The portfolio shall consist largely of securities with active secondary or resale market. Furthermore, a portion of the portfolio may be placed in money market funds or Local Agency Investment Fund (LAIF) which offer same day liquidity for short term investment.
- 3) **Yield** - The investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Nevertheless, investment performance shall be continually monitored and evaluated by the City Treasurer by comparison with other investment portfolio benchmark yields.

Additionally, investments are to be made that will bear in mind the responsibility of City government to its citizens. The following investment considerations, which enhance the quality of life, will be adhered to:

- **Divestment from Publicly-Traded Fossil Fuel Companies** - The City of Milpitas has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change. The City believes that its investments should support a future where all citizens can live healthy lives without the negative impacts of a warming environment. For the purposes of the Investment Policy, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report. Staff responsible for managing the City's investment portfolio are directed to divest all City investment funds held in fossil fuel companies once they reach their maturities and are prohibited from making any new investments in such companies.

### **SCOPE**

The investment policy applies to all financial assets of the City of Milpitas as accounted for in the Comprehensive Annual Financial Report (CAFR), including but not limited to the funds listed below:

- General Fund
- Special Revenue Funds

- Capital Projects Funds
- Debt Service Fund
- Enterprise Funds
- Internal Service Fund
- Trust and Agency Funds
- Any new fund created by the City Council unless specifically exempted with the exception of the following:
  - 1) The City's Deferred Compensation Plan is excluded because it is managed by a third-party administrator and invested by individual plan participants.
  - 2) Proceeds of debt issuance shall be invested in accordance with the investment objectives of this policy. However, such proceeds are generally invested in accordance with permitted investment provisions of their specific bond indentures. If the City Treasurer determines that the matching of bond reserve fund with the maturity schedule of an individual bond issue is prudent, the investment policy authorizes extending beyond the five year maturity limitation as outlined in this document.

### **STANDARDS OF CARE**

- 1) **Prudence** - The City investment officials shall act as a fiduciary subject to the Prudent Investor Standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The City Treasurer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.
- 2) **Ethics and Conflict of Interest** - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or could impair their ability to make impartial investment decisions. City employees involved in the investment process shall disclose to the City Manager any material financial interest in financial institutions that conduct business within the jurisdiction. They shall further disclose any large personal financial/investment positions that could affect the performance of the investment portfolio.
- 3) **Delegation of Authority** - Authority to manage the investment program is granted to the City Treasurer and derived from Section VI-1-3.04 of the City of Milpitas Municipal Code. Under the oversight of the City Treasurer, responsibility for the operation of the investment program may be delegated to the Finance Administration staff, who shall act in accordance with established written procedures and internal controls consistent with the investment policy. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the subordinate staff members. The system of internal controls includes separation of duties, custodial safekeeping, avoidance of physical delivery securities, development of wire transfer agreement, and clear delegation of authority to subordinate staff members.

## **SAFETY OF PRINCIPAL**

Safety of principal is the primary objective of The City. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker/dealer default or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk:

**Credit risk**, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the City's capital base and cash flow.

**Market risk**, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the City's investment portfolio to three years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

## **LIQUIDITY**

The City's financial portfolio shall be structured in a manner to ensure that the securities mature concurrent with anticipated cash demands. The portfolio should consist largely of securities with an active secondary or resale market to meet any unanticipated cash demands. A portion of the portfolio may be placed in money market funds or LAIF which offer same day liquidity for short term investment.

It is the full intent of the City to hold all investments until maturity to ensure the return of all invested principal. However, securities may be sold prior to maturity under the following circumstances:

- A security with declining credit may be sold early to minimize loss of principal,
- A security swap would improve the quality, yield, or target duration in the portfolio, or
- Liquidity needs of the portfolio require that the security be sold.

## **INVESTMENT PARAMETERS**

**1) Diversification** - The investment shall be diversified by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury and Federal Agency securities),
- limiting investment in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as LAIF or money market funds to ensure that appropriate liquidity is maintained in order to meet unanticipated cash demands.

**2) Maximum Maturities** - To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. The intent to invest in securities beyond the five year maturity limitation shall be disclosed in writing to the City Council no less than 3 months prior to the investment. As a general rule, the weighted average maturity of the investment portfolio will not exceed three years. Reserve funds established by the issuance of bonds and other funds with longer-term investment horizons may be invested in securities exceeding five years if the maturity of such investments are made to coincide with the expected use of funds.

**3) Competitive Bidding** - It is the policy of the City to require competitive bidding for investment transactions that are not classified as "new issue" securities. For the purchase of non "new issue" securities and the sale of all securities, with the exception of U.S. Treasury securities, at least three bidders must be contacted.

Competitive bidding for security swaps is also recommended, however, it is understood that certain constraints and broker portfolio limitations exist which would not accommodate the competitive bidding process. If time or portfolio constraining condition exists, the pricing of the swap should be verified to current market conditions and documented for auditing purposes.

### **PERFORMANCE EVALUATION/BENCHMARK**

- Investment performance is continually monitored and evaluated by The City Treasurer. Investment performance statistics and activity reports are prepared on a quarterly basis for presentation to the City Manager and City Council within 30 days of the end of the quarter.
- The investment portfolio benchmark yield shall be the 12 month average yield of the three-year U.S. Treasury note. This benchmark yield coincides with the City's intended weighted average maturity of three years.

### **SAFEKEEPING OF SECURITIES**

- To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement or master repurchase agreement. All trades executed by a dealer will settle delivery vs. payment (DVP) through the City's safekeeping agent.
- Securities held in custody for the City shall be reviewed and verified quarterly by Finance staff who has not been assigned to the investment function.

### **INTERNAL CONTROL**

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third party custodian

### **REPORTING**

- The City Treasurer shall review and render quarterly reports to the City Manager and City Council which shall include the par and dollar amount of the investment, the classification of the investment, the percentage of the total portfolio which each type of investment represents, the name of the institution or entity, the rate of interest, the maturity date, the current market value, and the source of the market value.
- Statement that the projected cash flow is adequate to meet expected obligations over the next six months.
- The weighted average maturity of the investment portfolio.
- The average weighted yield to maturity of the portfolio as compared to the applicable benchmark.
- Statement of compliance with the investment policy.
- The report is due within 30 days of the end of the quarter.
- The City Manager may, at his discretion, require this reporting on a monthly basis based upon market conditions.



## **QUALIFIED BROKER/DEALERS**

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- The City shall transact business with financial institutions and security broker/dealers after careful review of their qualifications and creditworthiness. All dealers who desire to do business with the City shall provide the necessary information (e.g. audited financial statements, proof of state registration, proof of National Association of Securities Dealers certification, etc.) from which the City can determine their creditworthiness, the existence of any pending legal action against the firm or the individual broker as well as an understanding of the security markets that they service. The City Treasurer shall annually send a copy of the current investment policy to all financial institutions and broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

## **COLLATERAL REQUIREMENTS**

Collateral is required for investments in non-negotiable certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level shall be at least 102% of market value of principal and accrued interest and marked-to-market weekly. Securities acceptable as collateral shall be the direct obligations of, or are fully guaranteed as to principal and interest by the United States or any agency of the United States.

## **AUTHORIZED INVESTMENTS**

Investment of City funds is governed by the California Government Code, Sections 16340, 16429.1-16429.4, and 53600-53686. Within the context of the limitations, the following investments are authorized, as further limited herein:

- 1) **United States Treasury Bills, Bonds, and Notes** or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, though a five year maturity limitation is applicable.
- 2) **Federal Agency Obligations** - Obligations issued by the Federal Government agencies such as Government National Mortgage Association (GNMA), the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC). There is no percentage limitation of the portfolio which can be invested in this category, although a five year maturity limitation is applicable.
- 3) **Bills of Exchange/Time Drafts**- Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Purchase of banker's acceptances may not exceed 180 days maturity or 40% of the cost value of the portfolio. Furthermore, no more than 30% of the cost value of the portfolio may be invested in the banker's acceptances of any one commercial bank.
- 4) **Commercial Paper** of the highest letter and number rating as provided by at least two nationally recognized statistical rating organizations, issued by general corporations organized and operating within the United States, having assets in excess of \$500,000,000 and having an "A" or better rating on their long term debentures as provided by at least two nationally recognized statistical rating organizations. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 40% of the cost value of the portfolio for Pooled Funds and 25% of the cost value of the portfolio for Non-Pooled Funds.
- 5) **Negotiable Certificates of Deposit** issued by nationally or state chartered banks, state or federal savings institutions, or state-licensed branch of foreign banks. Purchases of negotiable certificates of deposit may not exceed 30% of the cost value of the portfolio. A maturity limitation of five years is applicable.

- 6) Repurchase Agreements** - Repurchase agreements may be made on any investment authorized by the City's investment policy. The maturity of the repurchase agreements shall not exceed one year. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff weekly and shall not be allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase agreement is required between the City and the dealer for all repurchase agreements transacted.
- 7) Time Deposits** - Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. A maturity limitation of five years is applicable.
- 8) Medium-Term Corporate Notes** issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated "A" or better by at least two nationally recognized statistical rating organizations. Purchase of medium-term notes may not exceed 30% of the cost value of the portfolio and no more than 10% of the cost value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 10% limitation.
- 9) Local Agency Investment Fund (LAIF)** - a State of California managed investment pool may be used up to the maximum permitted by California State Law.
- 10) Money Market Funds** - Money Market funds invested in U.S. Government securities are permitted under this policy and under the California Government Code Section 53601. In order to be eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. Investment in such funds shall not exceed 20% of the City's total portfolio and no more than 10% of the City's total portfolio may be invested in any one money market fund. In addition, either one of the following criteria must be met:
- The fund shall have achieved a rating of "AAA" by at least two nationally recognized statistical rating organizations, or
  - The fund shall have retained an advisor who is registered or exempt from registration with the Security Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of five hundred million dollars (\$500,000,000).
- For both the LAIF and Money Market Funds investment, a thorough investigation of the investment pool is required on a continual basis. The types of investment and average maturity as reported by LAIF on their monthly investment reports and by the Money Market Mutual Funds on their semiannual reports will be examined closely to ensure that the criteria for qualifying these investment pools remain unchanged.
- 11) Security Swaps** - The City may take advantage of security swap opportunities to improve the overall quality, yield or target duration of the portfolio. A swap that improves the portfolio yield may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in the City's permanent investment file documents.
- 12) Ineligible Investments** - Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual.

### **MAXIMUM INVESTMENT MATURITY AND PERCENTAGE**

The following matrix of maximum maturity and percentage limits, by instrument, are established for the total pooled funds portfolio:

<b>Investment Type</b>	<b>Maturity</b>	<b>Percentage</b>
Repurchase Agreements	1 Year	0 to 100%
Local Agency Investment Fund	Upon Demand	Up to State Limits
U.S. Treasury Bonds/Notes/Bills	5 Years	0 to 100%
U.S. Government Agency Obligations	5 Years	0 to 100%
Bankers' Acceptances	180 Days	0 to 40%
Commercial Paper — Pooled Funds	270 Days	0 to 40%
Commercial Paper — Non-Pooled Funds	270 Days	0 to 25%
Negotiable Certificates of Deposit	5 Years	0 to 30%
Time Certificates of Deposit	5 Years	0 to 100%
Medium-Term Corporate Notes	5 Years	0 to 30%
Money Market Funds	Upon Demand	0 to 20%

### **LEGISLATIVE CHANGES**

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the City's Investment Policy and supersede any and all previous applicable language.

### **INTEREST EARNINGS**

All moneys earned and collected from investments authorized in this policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

### **ANNUAL POLICY APPROVAL**

The City's investment policy shall be adopted by resolution of the City Council on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to City Council for approval.

## GLOSSARY OF TERMS

**Accrued Interest-** Interest earned but not yet received.

**Active Deposits-** Funds which are immediately required for disbursement.

**Amortization-** An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

**Arbitrage-** Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

**Asked Price-** The price a broker dealer offers to sell securities.

**Banker's Acceptance-** A high quality, short term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

**Basis Point-** One basis point is one hundredth of one percent (.01). **Bid Price-**

The price a broker dealer offers to purchase securities.

**Bond-** A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Book Value-** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**Broker-** Someone who brings buyers and sellers together and is compensated for his/her service.

**Certificate of Deposit-** A deposit insured up to \$250,000 by the FDIC at a set rate for a specified period of time.

**Collateral-** Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

**Commercial Paper-** Short-term, negotiable unsecured promissory notes of corporations.

**Comprehensive Annual Financial Report (CAFR)-** The official annual financial report for the City, prepared in conformity with Generally Accepted Accounting Principles (GAAP).

**Coupon-** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**Credit Risk -** Defined as the risk of loss due to failure of the issuer of a security.

**Current Yield-** The interest paid on an investment expressed as a percentage of the current price of the security.

**Custodian-** A bank or other financial institution that keeps custody of stock certificates and other assets.

**Defeased Bond Issues-** Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

**Delivery vs. Payment (DVP)-** Delivery of securities with a simultaneous exchange of money for the securities.

**Derivative-** Securities that are based on, or derived from, some underlying asset, reference date, or index.

**Discount-** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Diversification-** Dividing investment funds among a variety of securities offering independent returns and risk profiles.

**Duration-** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Fannie Mae-** Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

**Federal Reserve System-** The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

**Federal Deposit Insurance Corporation (FDIC)-** Insurance provided to customers of a subscribing bank which guarantees deposits to a set limit (currently \$250,000) per account.

**Fed Wire-** A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

**Freddie Mac-** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

**Ginnie Mae-** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

**Government Accounting Standards Board (GASB)-** A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**Guaranteed Investment Contracts (GICS)-** An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

**Inactive Deposits-** Funds not immediately needed for disbursement.

**Interest Rate-** The annual yield earned on an investment, expressed as a percentage.

**Investment Agreements-** An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

**Liquidity-** An asset that can easily and rapidly be converted into cash without significant loss of value.

**Local Agency Investment Fund (LAIF)-** A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

**Local Agency Investment Pool-** A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

**Market Risk-** Defined as market value fluctuations due to overall changes in the general level of interest rates.

**Market Value-** The price at which a security is trading and could presumably be purchased or sold.

**Maturity-** The date upon which the principal or stated value of an investment becomes due and payable.

**Modified Duration-** A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.

**Mutual Funds-** An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

**Negotiable Certificate of Deposit-** A large denomination certificate of deposit which can be sold in the open market prior to maturity.

**New Issue-** Term used when a security is originally "brought" to market.

**Note-** A written promise to pay a specified amount to a certain entity on demand or on a specified date.

**Par Value-** The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**Perfected Delivery-** Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

**Portfolio-** Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

**Primary Dealer-** A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

**Principal-** The face value or par value of a debt instrument, or the amount of capital invested in a given security.

**Prospectus-** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement")

**Prudent Investor Standard-** A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

**Purchase Date-** The date in which a security is purchased for settlement on that or a later date.

**Rate of Return-** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO)-** A transaction where the seller agrees to buy back from the buyer (City) the securities at an agreed upon price on demand or at a specified date.

**Reverse Repurchase Agreement (REVERSE REPO)-** A transaction where the seller (City) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

**Risk-** Degree of uncertainty of return on an asset.

**Rule G-37 of the Securities Rulemaking Board-** Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

**Safekeeping Service-** An arrangement under which a third party institution holds securities or valuables under safe, controlled conditions. A safekeeping arrangement is evidenced by a safekeeping receipt.

**Sallie Mae-** Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

**Secondary Market-** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities and Exchange Commission (SEC)-** The federal agency responsible for supervising and regulating the securities industry.

**Settlement Date-** The date on which a trade is cleared by delivery of securities against funds.

**Tax and Revenue Anticipation Notes (TRANS)-** Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

**Time Certificate of Deposit-** A non-negotiable certificate of deposit which cannot be sold prior to maturity.

**Treasury Bills-** U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

**Trustee or trust company or trust department of a bank-** A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

**Underwriter-** A dealer which purchases a new issue of municipal securities for resale.

**U.S. Government Agencies-** Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

**U.S. Treasury Obligations-** Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. Notes are obligations which mature between 1 year and 10 years. Bonds are long-term obligations which generally mature in **10** years or more.

**Weighted Average Maturity (WAM)-** The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

**Yield-** The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

**Yield to Maturity-** The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

**Yield Curve-** A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.



**23. Receive a Report on 2020 Citywide Community Engagement Survey (Staff Contact: Ashwini Kantak, 408-586-3053)**

Recommendation: Receive a report on results of the 2020 Citywide Community Engagement Survey.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Receive Report on 2020 Citywide Community Engagement Survey</b>
<b>Category:</b>	Leadership and Support Services
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	Ashwini Kantak, Assistant City Manager, 408-586-3053
<b><u>Recommendation:</u></b>	Receive a report on results of the 2020 Citywide Community Engagement Survey.

### **Background:**

As discussed at the January 28, 2020 Council Budget Study Session, a Citywide survey was conducted by Fairbank, Maslin, Maullin, Metz & Associates (FM3), a California-based company that has been conducting public policy-oriented opinion research since 1981. FM3 has worked with hundreds of local government agencies in research and strategic services and, last year, assisted the City with polling for potential revenue ballot measures.

Representatives from FM3 will make a formal presentation to the City Council of the results, during the Council meeting. However, topline results include:

- The overall quality of life ratings is up from 74% to 80%, suggesting that residents continue to view living in Milpitas favorably;
- However, there is a little more uncertainty about the future. Half feel the City is headed in the “right direction,” but that’s down from 57% in 2019;
- Majorities approve of the City government and its budget management; satisfaction levels vary between specific services, with police protection and 911 response times the most intensely positive levels of satisfaction, and affordable housing programs and road maintenance with comparatively higher levels of dissatisfaction;
- A vast majority of residents are proud to live in Milpitas and feel different cultures are celebrated in the City. There is a strong sentiment that the City is a great place to raise a family and that the City’s diversity is an asset;
- Public safety and infrastructure are almost universal priorities for residents;
- Affordability is a point of concern, as it is throughout the region;
- About half of residents, 49%, say Milpitas is growing ‘about right.’ This is up from 41% last year. 41% say it’s growing too fast, which is down from 51% last year. Eight percent say it’s growing too slow; and
- 79% of residents responded indicating they were satisfied with the overall quality of City services.

In order to conduct a true community satisfaction survey of adult residents, FM3 conducted an “address-based” survey with some combination of phone numbers, emails, and residential addresses. The survey was conducted January 22 through February 13, 2020 and was available in English, Mandarin, Spanish, and Vietnamese. Both email and mailed postcards were sent to geographical clusters throughout the City directing recipients to complete an online survey and after the first wave was completed, remaining open areas were targeted to complete a telephone survey. Because of the strong response from the community, FM3 was able to provide statistically sound and fully representative results from the adult residents of Milpitas at a 95% confidence interval, higher than originally anticipated, clearly demonstrating that the community is eager to

provide their feedback to the City Council and administration and have a very strong favorable sentiment towards Milpitas and the services offered.

**Analysis:**

As with the Council provided feedback at the Council Budget Study Session and Council Retreat, this online and telephone survey is just one additional tool being used to facilitate preparation of the Fiscal Year 2020-21 annual city budget. In addition to this survey, there will be numerous community meetings for the general public, business community, external agencies with which Milpitas partners, and non-profit and volunteer agencies. The intent is to provide the Council with a collective representation of information for consideration as priorities and goals are identified, and to effectively prepare the budget for Council's consideration over the next several months. Further, it is the intent to budget and plan future community surveys so as to continually have current, statistically-valid public opinion polling completed on a regular basis for Council's consideration.

**Fiscal Impact:**

There is no fiscal impact associated with receiving the report on the survey results. However, as noted above, findings from the survey may inform budget actions in the proposed FY 2020-21 budget.

**Recommendation:**

Receive a report on results of the 2020 Citywide Community Engagement Survey.

**Attachment:**

2020 City of Milpitas Community Survey Results



## CITY OF MILPITAS 2020 COMMUNITY SURVEY

320-875 WT

N=625

MARGIN OF SAMPLING ERROR  $\pm 4.0\%$  (95% CONFIDENCE INTERVAL)

A/B SPLITS

Hello, I'm \_\_\_\_\_ from \_\_\_\_\_ a public opinion research company. We're conducting a public opinion survey about issues that interest residents of the City of Milpitas. We are definitely not trying to sell anything, and we are only interested in your opinions. **(IF RESPONDENT WISHES TO COMPLETE THE INTERVIEW IN SPANISH, VIETNAMESE OR CHINESE, PLEASE HAND OFF TO BILINGUAL INTERVIEWER)**

- A. Before we begin, I need to know if I have reached you on a cell phone, and if so, are you in a place where you can talk safely without endangering yourself or others?

Yes, cell and can talk safely----- 61%

Yes, cell but cannot talk safely ----- **TERMINATE**

No, not on cell----- 39%

**(DON'T READ)** DK/NA/REFUSED----- **TERMINATE**

**NEXT, I AM GOING TO ASK YOU A FEW QUESTIONS TO ENSURE WE ARE TALKING TO A REPRESENTATIVE SAMPLE OF RESIDENTS.**

- B. First, in what year were you born?

2001-1995 (18-24)----- 10%

1994-1990 (25-29)-----7%

1989-1985 (30-34)----- 14%

1984-1980 (35-39)-----9%

1979-1975 (40-44)-----9%

1974-1970 (45-49)-----9%

1969-1965 (50-54)-----8%

1964-1960 (55-59)-----7%

1959-1955 (60-64)-----7%

1954-1945 (65-74)-----9%

1944 or earlier (75+)-----5%

**(REFUSED/NA)** -----6%

- C. Next, with which racial or ethnic group do you identify yourself: Hispanic or Latino; American or Black; Caucasian or White; Asian or Pacific Islander; or some other ethnic or racial background? **(IF ASIAN/PACIFIC ISLANDER, ASK: More specifically, would you say that you are Chinese, Filipino, Indian or Southeast Asian, Japanese, Korean, Vietnamese, or multiracial?)**

Latino/Hispanic-----	14 %
African American/Black -----	1 %
Caucasian/White -----	29 %
Chinese-----	14 %
Filipino-----	6 %
Indian or Southeast Asian-----	11 %
Japanese-----	1 %
Korean -----	0 %
Vietnamese -----	14 %
Multiracial-----	2 %
<b>(OTHER)</b> -----	3 %
<b>(DON'T READ) DK/NA/REFUSED</b> -----	5 %

- D. What is your gender? **(READ LIST)**

Male -----	49 %
Female -----	49 %
Nonbinary -----	0 %
<b>(DON'T READ) Rather not say</b> -----	2 %

- E. **(T)** What was the last level of school you completed?

Less than high school-----	2 %
High school graduate -----	18 %
Vocational or technical school -----	5 %
Some college, but no degree -----	22 %
Associate degree-----	8 %
Four-year college degree -----	28 %
Graduate school -----	15 %
<b>(DON'T READ) DK/Refused</b> -----	2 %

**NOW I WOULD LIKE TO ASK YOU SEVERAL QUESTIONS  
ABOUT LIFE IN MILPITAS.**

1. **(T)** First, would you say that things in Milpitas are generally headed in the right direction, or do you feel that things are pretty seriously off on the wrong track?

Right direction-----	49 %
Wrong track-----	32 %
<b>(DON'T READ) DK/NA</b> -----	19 %

2. Next, please tell me how satisfied you are with the overall quality of life in Milpitas: very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied.

**TOTAL SATISFIED ----- 80%**

Very satisfied----- 22%

Somewhat satisfied ----- 58%

**TOTAL DISSATISFIED ----- 20%**

Somewhat dissatisfied----- 16%

Very dissatisfied ----- 4%

**(DON'T READ) DK/NA ----- 0%**

3. Next, would you say you generally approve or disapprove of the job that \_\_\_\_\_ is doing? **(IF APPROVE/DISAPPROVE, ASK: "Is that strongly APPROVE/DISAPPROVE or just somewhat?)**

	<u>STR</u> <u>APPR</u>	<u>SMWT</u> <u>APPR</u>	<u>SMWT</u> <u>DISAP</u>	<u>STR</u> <u>DISAP</u>	<u>(DK/NA)</u>	<u>TOTAL</u> <u>APPR</u>	<u>TOTAL</u> <u>DISAP</u>
[ ]a. (T) Milpitas City government overall-----	13%	54%	16%	7%	10%	67%	23%
[ ]b. (T) The City's budget management-----	20%	33%	16%	8%	23%	54%	24%

**(RANDOMIZE)**

[ ]c. (T) The Milpitas Police Department-----	49%	36%	5%	4%	6%	84%	9%
[ ]d. (T) The Milpitas City Council-----	13%	41%	18%	10%	17%	54%	29%
[ ]e. (T) The Milpitas Fire Department-----	61%	24%	3%	1%	11%	86%	3%

4. Next, for each of the following statements, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the statement. **(RANDOMIZE)**

	<u>STR</u> <u>AGREE</u>	<u>SMWT</u> <u>AGREE</u>	<u>SMWT</u> <u>DISAG</u>	<u>STR</u> <u>DISAG</u>	<u>(DK/NA)</u>	<u>TOTAL</u> <u>AGREE</u>	<u>TOTAL</u> <u>DISAG</u>
[ ]a. (T) I am proud to live in Milpitas.-----	39%	42%	11%	5%	3%	81%	16%
[ ]b. (T) I feel different cultures are celebrated in Milpitas.-----	47%	41%	4%	3%	5%	88%	7%

**(SPLIT SAMPLE A ONLY)**

[ ]c. (T) Maintaining public infrastructure in Milpitas should be a top priority.-----	63%	30%	2%	2%	4%	93%	4%
[ ]d. (T) I would recommend Milpitas to others as a place to live.-----	30%	43%	11%	10%	6%	73%	21%
[ ]e. (T) I trust the City to plan for Milpitas' future.-----	23%	39%	17%	13%	8%	62%	30%

	<u>STR</u> <u>AGREE</u>	<u>SMWT</u> <u>AGREE</u>	<u>SMWT</u> <u>DISAG</u>	<u>STR</u> <u>DISAG</u>	<u>(DK/NA)</u>	<u>TOTAL</u> <u>AGREE</u>	<u>TOTAL</u> <u>DISAG</u>
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**(SPLIT SAMPLE A ONLY; CONTINUED)**

[ ]f.	(T) When people first move to Milpitas, they are generally welcomed into the community. -----	31 %	41 %	9 %	3 %	15 %	73 %	12 %
[ ]g.	(T) Milpitas is a great place for seniors and aging residents to live. ----	29 %	39 %	11 %	11 %	10 %	68 %	22 %

**(SPLIT SAMPLE B ONLY)**

[ ]h.	(T) Maintaining public safety services in Milpitas should be a top priority. -----	69 %	27 %	2 %	1 %	0 %	96 %	4 %
[ ]i.	(T) I trust the City of Milpitas to properly manage our tax dollars. -----	18 %	43 %	16 %	11 %	12 %	61 %	27 %
[ ]j.	(T) Milpitas City government operates in a way that is open and accountable to the public. -----	21 %	44 %	16 %	7 %	12 %	65 %	23 %
[ ]k.	(T) Milpitas is a great place to raise a family. -----	43 %	43 %	8 %	2 %	3 %	87 %	10 %
[ ]l.	(T) Milpitas' diversity is an asset to the City. -----	50 %	38 %	7 %	1 %	4 %	88 %	8 %

**(RESUME ASKING ALL RESPONDENTS)**

5. Next, I am going to read you some words and phrases that might describe Milpitas. Please tell me whether you think each of the phrases below describes Milpitas very well, somewhat well, not too well, or not at all well. If you don't know, you can tell me that, too. **(RANDOMIZE)**

	<u>VERY</u> <u>WELL</u>	<u>SMWT</u> <u>WELL</u>	<u>NOT</u> <u>TOO</u> <u>WELL</u>	<u>NOT</u> <u>AT ALL</u> <u>WELL</u>	<u>DON'T</u> <u>KNOW</u>	<u>TOTAL</u> <u>WELL</u>	<u>TOTAL</u> <u>NOT</u> <u>WELL</u>
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**(SPLIT SAMPLE A ONLY)**

[ ]a.	(T) Diverse -----	50 %	36 %	6 %	2 %	6 %	86 %	8 %
[ ]b.	(T) Exciting -----	15 %	41 %	26 %	15 %	4 %	56 %	40 %
[ ]c.	(T) Safe -----	33 %	52 %	9 %	4 %	2 %	85 %	13 %
[ ]d.	(T) Good place to live, play, and work -----	35 %	43 %	15 %	5 %	2 %	78 %	20 %
[ ]e.	(T) Affordable -----	15 %	33 %	28 %	22 %	2 %	49 %	49 %
[ ]f.	(T) You can be yourself -----	45 %	42 %	6 %	2 %	6 %	87 %	7 %
[ ]g.	(T) Accepting -----	37 %	48 %	7 %	2 %	6 %	85 %	9 %

**(SPLIT SAMPLE B ONLY)**

[ ]h.	(T) Growing -----	38 %	46 %	7 %	4 %	5 %	84 %	11 %
[ ]i.	(T) Thriving -----	22 %	56 %	15 %	1 %	5 %	78 %	17 %
[ ]j.	(T) Up and coming -----	20 %	52 %	17 %	5 %	6 %	72 %	22 %
[ ]k.	(T) Unsafe -----	14 %	32 %	23 %	26 %	6 %	46 %	48 %
[ ]l.	(T) Unaffordable -----	29 %	36 %	20 %	11 %	4 %	65 %	31 %
[ ]m.	(T) Great location -----	46 %	42 %	7 %	3 %	3 %	88 %	10 %
[ ]n.	(T) Welcoming -----	33 %	50 %	9 %	3 %	5 %	82 %	12 %
[ ]o.	(T) Inclusive -----	29 %	50 %	9 %	2 %	10 %	79 %	11 %

**(RESUME ASKING ALL RESPONDENTS)**

6. (T) Do you think the rate of growth and development in general in Milpitas is **(SPLIT SAMPLE A: too fast, about right, or too slow)** **(SPLIT SAMPLE B: too slow, about right, or too fast)?** **(IF TOO FAST/SLOW, ASK: "Is that much too FAST/SLOW or just somewhat too FAST/SLOW?")**

**TOTAL TOO FAST ----- 41%**

Much too fast----- 27%

Somewhat too fast ----- 14%

About right----- 49%

**TOTAL TOO SLOW -----8%**

Somewhat too slow-----5%

Much too slow -----2%

**(DON'T KNOW/NA) -----3%**

7. Next, can you tell me how safe you feel \_\_\_\_\_? Do you feel safe, unsafe, or neither safe nor unsafe? **(IF SAFE/UNSAFE, ASK: Is that very SAFE/UNSAFE or just somewhat?)**  
**(RANDOMIZE)**

**(NEITHER  
SAFE**

		<b>VERY SAFE</b>	<b>SMWT SAFE</b>	<b>NOR UNSAFE)</b>	<b>SMWT UNSAFE</b>	<b>VERY UNSAFE</b>	<b>(DK/NO OPIN)</b>	<b>TOTAL SAFE</b>	<b>TOTAL UNSAFE</b>
[ ]a.	(T) Bicycling in Milpitas-----	22%	37%	9%	10%	7%	16%	58%	17%
[ ]b.	(T) Walking in Milpitas-----	35%	43%	9%	7%	2%	4%	78%	10%
[ ]c.	(T) Driving in Milpitas-----	31%	42%	12%	9%	4%	3%	73%	13%
[ ]d.	(T) In your neighborhood-----	45%	40%	7%	4%	2%	2%	85%	6%
[ ]e.	(T) In the City park closest to your residence -----	40%	39%	10%	4%	2%	5%	79%	6%

**NOW I WOULD LIKE TO ASK YOU ABOUT SOME OF THE SERVICES  
MILPITAS' CITY GOVERNMENT PROVIDES TO ITS RESIDENTS.**

8. Next, please tell me how satisfied you are with the overall quality of City services: very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied.

**TOTAL SATISFIED ----- 79%**

Very satisfied----- 15%

Somewhat satisfied ----- 64%

**TOTAL DISSATISFIED ----- 16%**

Somewhat dissatisfied----- 12%

Very dissatisfied -----4%

**(DON'T READ) DK/NA -----4%**



9. Now let me ask you about some specific City services provided to Milpitas residents. After I mention each one, please tell me how important each service is to making Milpitas a good place to live: extremely important, very important, somewhat important, or not too important. If you have no opinion or don't know about a service I mention to you, you can tell me that too. Here is the first one... (RANDOMIZE)

	<u>EXT</u> <u>IMP</u>	<u>VERY</u> <u>IMP</u>	<u>SMWT</u> <u>IMP</u>	<u>NOT</u> <u>TOO</u> <u>IMP</u>	<u>NO</u> <u>OPIN/</u> <u>DK/NA</u>	<u>EXT/</u> <u>VERY</u>
<b>(SPLIT SAMPLE A ONLY)</b>						
[ ]a. (T) Providing recreation opportunities and programs at City parks and recreation centers-----	30%	41%	23%	4%	2%	71%
[ ]b. (T) Maintaining public parks in good physical condition-----	36%	49%	14%	1%	1%	85%
[ ]c. (T) Providing police protection-----	53%	37%	8%	1%	1%	90%
[ ]d. (T) Providing an adequate number and variety of outdoor special events-----	21%	30%	33%	13%	2%	52%
[ ]e. (T) Providing programs to help seniors-----	32%	42%	20%	2%	4%	74%
[ ]f. (T) Providing bicycle lanes and paths-----	26%	38%	28%	7%	1%	64%
[ ]g. (T) Paving and repairing streets and roads-----	47%	45%	7%	1%	1%	91%
[ ]h. (T) Maintaining public facilities and infrastructure-----	41%	47%	8%	2%	2%	88%
[ ]i. (T) Providing opportunities to be involved in City government-----	24%	33%	32%	5%	6%	58%
[ ]j. (T) Recruiting new businesses and companies to the city-----	26%	38%	23%	11%	3%	64%
[ ]k. (T) Developing policies to support affordable housing-----	33%	35%	17%	13%	1%	68%
[ ]l. (T) Providing services to people who are homeless-----	20%	41%	23%	11%	5%	61%
<b>(SPLIT SAMPLE B ONLY)</b>						
[ ]m. (T) Enforcing traffic laws to protect the safety of pedestrians, cyclists, and drivers-----	46%	40%	12%	2%	1%	86%
[ ]n. (T) Providing after-school programs for young people-----	29%	40%	22%	3%	6%	69%
[ ]o. (T) Maintaining the sewer and wastewater system-----	49%	40%	10%	0%	1%	89%
[ ]p. (T) Supporting a diverse range of arts and cultural activities-----	19%	36%	27%	11%	7%	55%
[ ]q. (T) Attracting new employers and jobs to the city-----	26%	41%	20%	6%	7%	67%
[ ]r. (T) Providing homeless services-----	22%	34%	27%	10%	8%	56%
[ ]s. (T) Providing programs that celebrate diversity and inclusion of different cultures-----	24%	31%	23%	15%	7%	55%
[ ]t. (T) Assisting new businesses in obtaining required permits and licenses-----	23%	43%	19%	4%	12%	65%

	<u>EXT IMP</u>	<u>VERY IMP</u>	<u>SMWT IMP</u>	<u>NOT TOO IMP</u>	<u>NO OPIN/ DK/NA</u>	<u>EXT/ VERY</u>
<b>(SPLIT SAMPLE B ONLY; CONTINUED)</b>						
[ ]u. (T) Developing programs that promote sustainable living, such as clean energy, water conservation, and recycling-----	35 %	45 %	15 %	4 %	2 %	79 %
[ ]v. (T) Providing emergency 911 and fire response-----	59 %	30 %	9 %	1 %	1 %	89 %

**(RESUME ASKING ALL RESPONDENTS)**

10. Now I am going to read you the same list of services provided to residents. This time, after I mention each one, please tell me how satisfied you are with that service: very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied. If you have no opinion or don't know about a service I mention to you, you can tell me that too. Here is the first one... **(RANDOMIZE)**

	<u>VERY SAT</u>	<u>SMWT SAT</u>	<u>SMWT DISSAT</u>	<u>VERY DISSAT</u>	<u>NO OPIN /DK/NA</u>	<u>TOTAL SAT</u>	<u>TOTAL DISSAT</u>
<b>(SPLIT SAMPLE A ONLY)</b>							
[ ]a. (T) Providing recreation opportunities and programs at City parks and recreation centers-----	18 %	44 %	14 %	4 %	20 %	62 %	18 %
[ ]b. (T) Maintaining public parks in good physical condition-----	28 %	54 %	9 %	5 %	4 %	82 %	14 %
[ ]c. (T) Providing police protection-----	47 %	39 %	6 %	3 %	5 %	87 %	8 %
[ ]d. (T) Providing an adequate number and variety of outdoor special events---	19 %	48 %	9 %	3 %	21 %	67 %	12 %
[ ]e. (T) Providing programs to help seniors-----	16 %	42 %	11 %	3 %	28 %	58 %	14 %
[ ]f. (T) Providing bicycle lanes and paths-----	19 %	50 %	13 %	4 %	15 %	69 %	17 %
[ ]g. (T) Paving and repairing streets and roads-----	22 %	44 %	19 %	11 %	4 %	66 %	30 %
[ ]h. (T) Maintaining public facilities and infrastructure-----	21 %	53 %	13 %	4 %	8 %	75 %	17 %
[ ]i. (T) Providing opportunities to be involved in City government-----	14 %	43 %	12 %	3 %	28 %	57 %	15 %
[ ]j. (T) Recruiting new businesses and companies to the city-----	19 %	38 %	14 %	8 %	22 %	57 %	21 %
[ ]k. (T) Developing policies to support affordable housing-----	14 %	35 %	19 %	11 %	21 %	49 %	30 %
[ ]l. (T) Providing services to people who are homeless-----	13 %	37 %	14 %	6 %	30 %	50 %	21 %

**(SPLIT SAMPLE B ONLY)**

[ ]m. (T) Enforcing traffic laws to protect the safety of pedestrians, cyclists, and drivers-----	33 %	47 %	7 %	7 %	6 %	80 %	14 %
---	------	------	-----	-----	-----	------	------

	VERY SAT	SMWT SAT	SMWT DISSAT	VERY DISSAT	NO OPIN /DK/NA	TOTAL SAT	TOTAL DISSAT
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**(SPLIT SAMPLE B ONLY; CONTINUED)**

[ ]n.	(T) Providing after-school programs for young people -----	18%	34%	10%	4%	34%	52%	14%
[ ]o.	(T) Maintaining the sewer and wastewater system -----	28%	48%	10%	5%	10%	76%	15%
[ ]p.	(T) Supporting a diverse range of arts and cultural activities-----	14%	48%	11%	5%	22%	62%	16%
[ ]q.	(T) Attracting new employers and jobs to the city -----	17%	38%	13%	5%	28%	55%	18%
[ ]r.	(T) Providing homeless services-----	9%	33%	15%	8%	36%	41%	23%
[ ]s.	(T) Providing programs that celebrate diversity and inclusion of different cultures -----	19%	44%	7%	6%	25%	62%	13%
[ ]t.	(T) Assisting new businesses in obtaining required permits and licenses-----	13%	35%	5%	4%	44%	48%	8%
[ ]u.	(T) Developing programs that promote sustainable living, such as clean energy, water conservation, and recycling-----	15%	51%	14%	5%	15%	66%	19%
[ ]v.	(T) Providing emergency 911 and fire response -----	51%	38%	3%	1%	7%	89%	4%

**(RESUME ASKING ALL RESPONDENTS)**

**NOW, I'D LIKE TO ASK YOU ABOUT YOUR EXPERIENCES WITH  
CITY DEPARTMENTS AND PERSONNEL.**

11. (T) Over the last two years, have you had contact with a city department or agency in person, on the phone, or via email?

Yes ----- 40%

No ----- 56%

(DON'T READ) DK/NA ----- 4%

**(ASK Q12 IF YES - CODE 1 - IN Q11)**

12. (T) And would you say that you are very satisfied, somewhat satisfied, not too satisfied or not at all satisfied with the overall level of customer service you received?

**TOTAL SATISFIED ----- 76%**

Very satisfied----- 34%

Somewhat satisfied ----- 42%

**TOTAL NOT SATISFIED ----- 21%**

Not too satisfied----- 9%

Not at all satisfied ----- 12%

(DON'T KNOW/NA) ----- 2%

**(RESUME ASKING ALL RESPONDENTS)**

13. **(T)** Next, in your opinion, what is the most important thing the City of Milpitas can do to improve City services for the people who live and/or work in Milpitas? **(OPEN-END; RECORD RESPONSES BELOW)**

Improve traffic -----	14%
Improve/better maintenance of existing roads -----	7%
Better quality schools/More schools -----	6%
Slow the pace of growth -----	7%
More/better/affordable housing-----	8%
Revive/build downtown/Attract more restaurants/retail/grocery -----	4%
More/better parks/green space/trails -----	3%
Reduce/eliminate odor/Relocate landfill -----	6%
Improve city services (general)-----	6%
Maintain/expand infrastructure (other than roads) -----	5%
More transparency/communication -----	6%
Improve garbage/recycling service/collection-----	5%
More police presence/Reduce crime/Safety -----	8%
Address homelessness/Poverty -----	4%
Lower taxes/Reduce spending -----	2%
Reduce cost for utilities/garbage/recycling -----	4%
Jobs and economy -----	3%
Transportation/Transit -----	3%
Speeding /Parking-----	2%
Other miscellaneous comments -----	10%
Nothing/None-----	1%
Unsure -----	7%
Refused -----	7%

14. (T) Next, I am going to read a list of ways the City of Milpitas may provide information to residents. For each one I mention, please tell me whether you would definitely pay attention, maybe pay attention, or definitely not pay attention to information about the City if it were presented to you in that way. (RANDOMIZE)

	DEF PAY ATTN	MAYBE PAY ATTN	DEF NOT PAY ATTN	(DK/NA)	TOTAL PAY ATTN
<b>(SPLIT SAMPLE A ONLY)</b>					
[ ]a. (T) A Facebook post-----	25 %	40 %	30 %	5 %	64 %
[ ]b. (T) Information on the City of Milpitas website-----	27 %	48 %	19 %	6 %	75 %
[ ]c. (T) Information from a friend or neighbor -----	41 %	44 %	7 %	8 %	85 %
[ ]d. (T) A news article in the <i>Milpitas Beat</i> -----	24 %	43 %	25 %	9 %	67 %
[ ]e. (T) An ad on a website-----	18 %	47 %	29 %	7 %	64 %
[ ]f. (T) A booth at a special event, such as a fair or farmers market-----	24 %	49 %	20 %	7 %	74 %
[ ]g. (T) An ad on television -----	22 %	45 %	24 %	9 %	67 %
[ ]h. (T) A radio ad -----	18 %	47 %	24 %	10 %	65 %
[ ]i. A printed newsletter sent to your home -----	46 %	39 %	11 %	4 %	85 %

**(SPLIT SAMPLE B ONLY)**

[ ]j. (T) A text from the City -----	44 %	40 %	11 %	6 %	84 %
[ ]k. (T) An e-newsletter from your City -----	42 %	43 %	10 %	5 %	85 %
[ ]l. (T) Information from an elected official -----	26 %	52 %	14 %	8 %	78 %
[ ]m. (T) A news article in the <i>Milpitas Post</i> -----	28 %	41 %	26 %	6 %	68 %
[ ]n. (T) A website publicized to local residents -----	37 %	49 %	12 %	2 %	86 %
[ ]o. (T) A community event -----	30 %	54 %	9 %	7 %	84 %
[ ]p. (T) An ad in the newspaper -----	15 %	44 %	33 %	8 %	59 %
[ ]q. (T) A post on Nextdoor.com-----	26 %	31 %	29 %	14 %	57 %
[ ]r. (T) Ethnic radio or newspaper -----	19 %	31 %	39 %	11 %	50 %

**(RESUME ASKING ALL RESPONDENTS)**

MY FINAL QUESTIONS ARE JUST FOR STATISTICAL PURPOSES.
---

15. (T) About how long have you lived in Milpitas? (READ LIST)

Two years or less-----	5 %
Three to four years-----	3 %
Five to six years -----	3 %
Seven to ten years -----	7 %
11 to 15 years -----	14 %
16 to 20 years -----	23 %
21 to 30 years -----	20 %
31 to 40 years -----	15 %
41 years or more -----	9 %
(DON'T READ) Don't know/Refused -----	0 %

16. (T) Do you have children? (IF YES, ASK: Are any of them under the age of 19 and living at home)

Yes, children under 19 at home ----- 30 %  
 Yes, no children under 19 at home ----- 23 %  
 No, no children ----- 43 %  
 (DON'T READ) DK/NA/Refused ----- 4 %

17. (T) Do you own or rent your home?

Own ----- 69 %  
 Rent ----- 27 %  
 (DON'T READ) DK/NA/Refused ----- 5 %

18. (T) I don't need to know the exact amount, but I'm going to read you some categories for household income. Would you please stop me when I have read the category indicating the total combined income for all the people in your household before taxes in 2019?

\$30,000 and under ----- 3 %  
 \$30,001 - \$60,000 ----- 12 %  
 \$60,001 - \$90,000 ----- 19 %  
 \$90,001 - \$120,000 ----- 13 %  
 \$120,001 - \$150,000 ----- 9 %  
 \$150,001 - \$180,000 ----- 7 %  
 More than \$180,000 ----- 20 %  
 (DON'T READ) Refused ----- 17 %

### THANK AND TERMINATE

#### LANGUAGE:

English ----- 88 %  
 Spanish ----- 4 %  
 Vietnamese ----- 4 %  
 Chinese ----- 4 %

#### DATA COLLECTION MODE

Telephone ----- 46 %  
 Online ----- 54 %

#### CONTACT METHOD

Telephone ----- 46 %  
 Email ----- 47 %  
 Postcard ----- 8 %

**24. Receive and Direct Staff on Scheduling Agenda Items Requested by City Councilmembers  
(Contact: Mayor Tran, 408-586-3029)**

Recommendation: Review list of items presented (list in agenda packet) that have been requested by City Councilmembers on a form, at a Council meeting, or through the City Manager. Direct items to Rules or other Council Subcommittee, to be placed onto a specific meeting date, or specify alternate direction to staff. No substantive discussion about any specific item shall occur and the City Council shall hold all debate about the item until the item is scheduled as a full agenda item.

**MILPITAS CITY COUNCIL  
AGENDA ITEM REQUESTS**

562

Request No.	Topic	Submitted by:	A, F, or CM	Date requested or Rec'd Form	To CC Rules Subcomm:	on City Council meeting agenda this date:
<b>2020</b>						
12	Community Workforce Agreement	Nuñez	A	2/18/2020		
11	Discuss having 4th of July parade	Nuñez	A	2/18/2020		
10	Responsible Construction Ordinance	Phan	A	2/4/2020		3/3/2020
9	Support for Laura's Law	Phan	A	2/4/2020		3/3/2020
8	Parade for MHS Trojans Football	Tran, City Manager	A	1/21/2020		1/28/2020
7	Request for Dumpster Days	Tran	A	1/7/2020		
6	Resolution in support of elimination of discrimination v. women	Dominguez	A	1/7/2020		3/17/2020
5	Proposed ban on vaping, restrict smoking	Montano	A	1/7/2020		3/3/2020
4	Street/traffic calming update	Nuñez	A	1/7/2020		3/3/2020
3	Report on parking in The Pines	Nuñez	A	1/7/2020		2/18/2020
2	Report on speed cameras like Fremont (radar displays) - no enforcement	Phan	A	1/7/2020		
1	Info. on new SB 50	Phan	A	1/7/2020		memo
<b>2019</b>						
10	Maintain Dagupan, P.I. as a Sister City	Tran, Montano	F	9/17/2019	9/20/2019	12/17/2019
9	Have "Dumpster Days"	Tran, Montano	F	9/17/2019	9/20/2019	
8	Add Green Bike Lanes	Tran, Montano	F	9/17/2019	9/20/2019	1/28/2020
7	Establish Railroad quiet zone	Tran, Montano	F	9/17/2019	9/20/2019	
6	Rename Augustine Park to include "Sunnyhills"	Tran, Montano	F	9/17/2019	9/20/2019	2/4/2020
5	Community Theater, perhaps with MUSD	Nuñez, Phan	F	8/20/2019	8/23/2019	
4	Consider Community Museum and Park on Main St.	Nuñez, Phan	F	8/20/2019	8/23/2019	
3	Rename Dixon Landing Rd. as Barack Obama Blvd	Nuñez, Phan	F	8/20/2019	8/23/2019	



**MILPITAS CITY COUNCIL  
AGENDA ITEM REQUESTS**

563

2	policy for Proclamations and Commendations	Nuñez, Phan	F	8/20/2019	8/23/2019	
1	policy for Social Media	Nuñez, Phan	F	8/20/2019	8/23/2019	

A: @Announcements

F: on a Form

CM: to City Manager

**25. Receive Report of City Council Rules Subcommittee (Contacts: Mayor Tran, 408-586-3029 and Councilmember Dominguez, 408-586-3031)**

Recommendation: Hear report from the two members of the City Council Rules Subcommittee, with any comments from the January 31, 2020 meeting (joint meeting with full City Council). Members may review agenda items requested at the Subcommittee Meeting (see meeting minutes draft).

## ***Draft MEETING MINUTES***

### **MILPITAS CITY COUNCIL RULES SUBCOMMITTEE**

<b>Minutes of:</b>	<b>Joint Meeting of the Council Rules Subcommittee and the Milpitas City Council</b>
<b>Date:</b>	<b>Friday, January 31, 2020</b>
<b>Time:</b>	<b>3:30 PM</b>
<b>Location:</b>	<b>Milpitas City Hall, Committee Room 455 E. Calaveras Blvd., Milpitas, CA</b>

1. **Call to order and Roll Call** – Meeting was called to order by Mayor Tran at 3:35 PM. Mayor Tran, Councilmember Dominguez, Vice Mayor Nuñez and Councilmember Phan were present. Councilmember Montano was absent.

2. **Approve Meeting Minutes** – Minutes of September 20, 2019 meeting were approved.

Motion /Second: Nuñez/Dominguez

AYES: All

3. **Public Forum**

- Jackie Romero (Milpitas resident) spoke in support of the Children's Theater Program. She expressed her appreciation for the Rules Subcommittee but suggested that urgency should be considered in placing and prioritizing items to be discussed on the agenda, especially on matters that affect the community.
- Rob Means (Milpitas resident) spoke in support of the Personal Rapid Transit (PRT).
- Frank De Smidt (Milpitas resident and representative for Milpitas Chamber of Commerce and Milpitas Rotary Club) invited all attendees to the Annual Auction and Crab Feed.

4. **Discuss Clarifications Related to the Scope of the Rules Subcommittee Document and provide direction and clarity to staff on existing language and / or propose clarifying language related to the Subcommittee's role in adding items to the agenda**

Interim City Manager McHarris opened the discussion regarding the scope of the Rules Subcommittee as well as staff's need for feedback, direction, and clarification from the full City Council.

Assistant City Manager Kantak provided a brief background regarding the Rules Subcommittee since its formation in April 2019 and official start in August 2019.

Assistant City Manager Kantak and City Attorney Diaz presented seven questions to facilitate Council discussion.

Councilmembers reviewed and discussed all seven questions listed in the staff report and presentation. A summary of the direction is provided below:

1. Council Agenda Item Requests would be placed on the next regular Council meeting agenda and listed under the Reports of Mayor and Councilmembers section of the agenda. In addition, Council requested to have the Rules Subcommittee minutes be presented under this section. Councilmembers could also request items be placed on the Council Agenda under the Announcements section. The City Attorney was asked to provide verbiage so that legal parameters and guidance would be incorporated into the Announcements and Reports of the Mayor and Councilmembers sections of the City Council meeting agenda to ensure compliance with the Brown Act.
2. Councilmembers agreed that there should be no “cap” placed on Agenda Item Requests for any one Council agenda. Council would be relying on the City Manager in terms of assessing, establishing “caps” contingent upon departments’ individual workload, and advising Council regarding staff workload.
3. A majority of the Councilmembers agreed that the current Agenda Item Request Form was satisfactory. If more detailed explanation was needed for items that were placed on the agenda, there would be avenues available to present proposals including but not limited to memoranda, presentation slides, fiscal impact reports, and other data that would show as to how the agenda item directly tied to one of the established Council Priority Areas.
4. Councilmembers agreed that the Rules Subcommittee would not meet to review the agenda for Special City Council meetings.

Vice Mayor Nuñez stated that the original intent of the Rules Subcommittee was to review the agenda for items added by Council and staff. Council discussed having alternates for the current Subcommittee members in case one was not be able to attend the Rules Subcommittee meeting. Mayor Tran nominated Vice Mayor Nuñez as his alternate. Councilmember Dominguez nominated Councilmember Montano as her alternate.

City Attorney Diaz advised that he would conduct research as to whether there would be any Brown Act rules regarding Subcommittee alternates, and that he would report back to Council regarding the results of his research. Council agreed to further discuss this matter once more at a later date.

Mayor Tran excused Vice Mayor Nuñez from the remainder of the meeting due to prior commitments.

Assistant City Manager Kantak reviewed the two-step process for adding agenda items through Agenda Item Request Forms and received Council agreement on the process.

Interim City Manager McHarris and Assistant City Manager Kantak stated that staff needed clarification and guidance from Council regarding this question so that it would assist staff in balancing and re-prioritizing workload.

Assistant City Manager Kantak proposed modifying the Rules Subcommittee scope and guidelines to formally reflect the direction from Council.

## 5. **Review of Regular City Council Meeting Agendas**

Assistant City Manager Kantak led the review and discussion of the following:

- February 4, 2020 Preliminary Agenda
- February 18, 2020 List of Agenda Items

Mayor Tran requested that the Public Forum section should be modified to reflect that speaking time would be “three minutes or less.”

Interim City Manager McHarris advised that the Council could forward question concerning Consent Calendar items ahead of time to the City Manager’s Office, so that staff could provide answers or clarification prior to the meeting.

In an effort to avoid unnecessary pulling items off the Consent Calendar, Councilmember Dominguez inquired as to whether Council could submit questions to the City Manager and have the questions and the answers provided be a part of public record. City Attorney Diaz replied that some cities formulate a list of Council questions. City Attorney Diaz and City Manager proposed to further research into this matter.

## 6. **Adjourn**

- Vice Mayor Nuñez was excused to leave prior to adjournment at 5:10 PM.
- Mayor Tran adjourned the meeting at 5:23 PM.
- The next Rules Subcommittee meeting would be scheduled on Friday, February 21, 2020 at 3:30 PM.

*Minutes prepared by  
Pam Caronongan, Deputy City Clerk*

**26. Hear Request of Councilmember Phan and Mayor Tran in Support of “Laura’s Law” (Contacts: Councilmember Anthony Phan, 408-586-3032 and Mayor Tran, 408-586-3029)**

Recommendation: Hear request of Councilmember Phan and Mayor Tran in support of “Laura’s Law” and consider directing staff to send letter of support to County of Santa Clara.



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Hear Request of Councilmember Phan and Mayor Tran in Support of “Laura’s Law”</b>
<b>Category:</b>	Reports of Mayor and Councilmembers
<b>Meeting Date:</b>	3/3/2020
<b>Staff Contact:</b>	<b>Councilmember Anthony Phan, 408-586-3032 and Mayor Tran, 408-586-3029</b>
<b>Recommendation:</b>	Hear Request of Councilmember Phan and Mayor Tran in Support of “Laura’s Law” and consider directing staff to send letter of support.

### **Background:**

On February 4, 2020, Councilmember Phan requested his colleagues to consider directing staff to research and consider Council support locally of "Laura's Law" related to mandatory conservatorship by the County for those with severe mental health illness.

### **Recommendation:**

Hear Request of Councilmember Phan and Mayor Tran in Support of “Laura’s Law” and consider directing staff to send letter of support.

### **Attachments:**

Memorandum by Councilmember Phan and Mayor Tran  
City of San Jose Letter of Support  
Report to San Jose City Council with Attachments



# MEMORANDUM

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479  
PHONE: 408-586-3000, FAX: 408-586-3056, [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

**TO:** City Manager Steve McHarris  
City Attorney Chris Diaz  
**CC:** City Clerk Mary Lavelle

**DATE:** 02/03/2020

**FROM:** Mayor Rich Tran

Councilmember Anthony Phan

**SUBJECT:** County Implementation of Laura's Law and Enhanced Conservatorships

## **RECOMMENDATION**

Place the following item on the February 18, 2020 Agenda for Council discussion and action; Direct the City Manager to submit a letter from the City Council to the Santa Clara County Board of Supervisors and the County Executive's Office to request County implementation of Laura's Law (Assisted Outpatient Treatment) and strengthened conservatorship policies, and add these objectives to the City's legislative priorities.

## **BACKGROUND**

In Santa Clara County, homelessness has become a crisis. Nearly 10,000 individuals are currently homeless in Santa Clara County, and these numbers are projected to continue to increase at an alarming rate. Last year, homelessness increased at a drastic increase of 31.3% in Santa Clara County.<sup>1</sup>

According to the U.S. Department on Housing and Urban Development, it is estimated that on average, amongst homeless individuals nationally, 45% are mentally ill and 25% are seriously mentally ill. Locally, Santa Clara County statistics show data based on self-reported responses that parallel national numbers, with 42% of homeless respondents indicating that they suffer from mental illness of some form and 35% of respondents reporting having experienced alcohol or substance abuse.

## **BACKGROUND ON LAURA'S LAW AND CONSERVATORSHIP**

Laura Wilcox was a teenage college student shot to death in 2001, by a severely mentally deranged individual. Despite pleas from his own family and recommendation from his social worker, the individual actively refused psychiatric treatment and continued to be defiant, as he increasingly became delusional and paranoid, in the events leading up to the shooting.

In 2002, Assisted Outpatient Treatment Demonstration Project Act, also known as Laura's Law, was signed into law by Governor Gray Davis. The legislation aims to help individuals suffering with severe mental health needs by mandating their access to assisted outpatient treatment. The policy applies to those who meet a specific set of exhaustive requirements to demonstrate

<sup>1</sup> "County of Santa Clara, City of San Jose Release Results of 2019 Homeless Census." County News, County of Santa Clara, 16 May 2019, [www.sccgov.org/sites/opa/newsroom/Pages/2019homelesscensus.aspx](http://www.sccgov.org/sites/opa/newsroom/Pages/2019homelesscensus.aspx).



their history of non-compliance, such as if they were hospitalized or jailed at least twice within 36 months.

The policy heavily relies on County implementation and enforcement. In California, twenty Counties have opted to implement Laura's Law, with Bay Area Counties including Contra Costa, Marin, San Mateo, San Francisco and San Mateo.

In 2018, Senate Bill 1045 was signed into law, allowing the City and County of San Francisco, Los Angeles, and San Diego Counties to pilot a 5-year program of housing-based conservatorship. The bill establishes conservatorships to individuals suffering from both a severe mental illness and a substance use disorder. Ultimately, the bill increases the responsiveness of courts to individuals lacking capacity to take care of their health and welfare. Senate Bill 40, passed in 2019, similarly addresses procedures regarding 5150 psychiatric holds and expands conservatorship provisions for these often-neglected individuals, many of whom at high risk of harming themselves.

## **ANALYSIS**

Expanding a framework for conservatorship and County implementation of Laura's Law will expand access to critical services and treatment for our community's most vulnerable struggling with severe mental health needs.

Although we acknowledge these policies will help a relatively smaller population of people who are homeless, and that there is much more work to be done to address the crisis in homelessness, however it will go a long way and positively change many lives. Furthermore, it will make our community safer for our residents and our first responders in public safety, who risk their lives every day. In tragic scenarios where officers have no choice but to use deadly force to stop dangerous individuals with severe mental health needs from harming others, it is unacceptable to write off the case as a situation that could not have been avoided.

Our County has the ability to save lives, make our community safer, and prevent these tragedies from occurring. The implementation of Laura's Law and expanded conservatorship will serve as much-needed reform to our negligent and flawed system which has failed our community's most vulnerable people.

The City of Milpitas should support County implementation of Laura's Law and work with the Board of Supervisors and County Administration to expand conservatorship programs through efforts in adding Santa Clara County to Senate Bill 1045 and related legislation.

Dear Santa Clara County Board of Supervisors,

As community leaders, we recognize that Santa Clara County has a mental health crisis. Of the homeless in our County, 42% reported mental illness, yet current efforts in the County to address this issue are tragically lacking.

Homeless individuals who lack capacity because of a severe mental illness to provide for their basic human needs cannot continue to fall victim to uninhabitable living conditions, drug and alcohol abuse, and risks of harm to themselves or [others on the streets](#). It is imperative that we consider the benefits of Laura's Law and strengthened conservatorship in Santa Clara County.

Laura's Law passed the California State Legislature in 2002, aiming to remedy the issues posed by mentally ill individuals occupying the streets: introducing court-mandated assisted outpatient treatment for those who are likely to benefit from it. To date, 20 counties in California have done just this, including the Bay Area Counties of San Mateo, Alameda, Contra Costa, Marin, and San Francisco-- achieving a high degree of success. Specifically, In San Francisco County, 91% of patients saw reduced hospitalization, with 88% reducing their time spent incarcerated and 74% reducing their use of Psychiatric Emergency Services. Not only that, but in Nevada County, where Laura's Law was first implemented, the law has saved between \$1.82 to \$2.52 per \$1.00 invested in the program. Laura's Law is saving lives, saving money, and giving people the help that they need.

Furthermore, in pursuit of the most comprehensive care for suffering residents, conservatorship for substance abusers and the mentally ill also must be re-examined. While Santa Clara County's LPS Conservatorship was an important first step starting in 1972, now is the time to revisit and strengthen this piece of legislation.

In September of 2018, the State of California passed Senate Bill 1045, which provides for the formation of a 5-year pilot program consisting of housing based conservatorship policies in San Francisco and Los Angeles Counties. SB 1045 increases the responsiveness of courts to individuals lacking capacity to take care of their health and welfare in by making available a conservatorship when those individuals are suffering from both a severe mental illness as well as a substance use disorder, something we are unable to achieve under the current standard. Individuals that fail to qualify as "gravely disabled" often get stuck in a chronic cycle of coming in and out of 72-hour psychiatric holds, and are victims of a dysfunctional system that is in desperate need of reform. We would like to see Santa Clara County advocate for inclusion in this or comparable legislation that effectively treats the most vulnerable in our County.

For all these reasons and more, we urge the County to act to strengthen conservatorship laws and to adopt Laura's Law.

Signed:



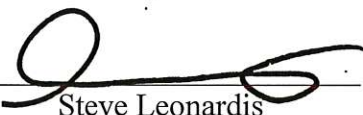
Johnny Khamis  
Councilmember, City of San José



Raul Perez  
Councilmember, City of San José



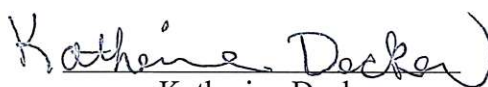
Lisa Dailey  
Treatment Advocacy Center



Steve Leonardis  
Mayor, Town of Los Gatos



Paul Resnikoff  
Councilmember, City of Campbell



Katherine Decker  
Registered Nurse



Stephani Rideau  
Parent of Homeless Mentally Ill Adult



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Lee Wilcox

**SUBJECT: COUNTY OF SANTA CLARA  
BEHAVIORAL HEALTH  
PROGRAMS**

**DATE:** January 22, 2020

Approved

Date

1-22-20

## INFORMATION

At the November 20, 2019 Rules and Open Government Committee, the Administration was directed to submit a letter from the City of San José Mayor and City Council to the Santa Clara County Board of Supervisors and the County Administration requesting implementation of Laura's Law (Assisted Outpatient Treatment) as well as a strengthening of conservatorship policies for residents that struggle with serious mental illness. This item was again discussed at the December 10, 2019 City Council meeting under item 3.6<sup>1</sup> where a request was made for additional information regarding the Santa Clara County's expansion of Behavioral Health Services for adults and older adults, which was scheduled for implementation in fall 2019.

In response to Council direction, on December 12, 2019 a letter was submitted to the Santa Clara County Board of Supervisors on behalf of the City of San José Mayor and City Council (*Attachment A*).

Attached to this memorandum are two reports authored by Toni Tullys, Director of the County's Behavioral Health Services. The first report was submitted to the Health and Hospital Committee on August 22, 2019 providing an update on Assisted Outpatient Treatment (*Attachment B*). It summarizes the 2002 California Assembly Bill 1421 (Laura's Law) and its implementation in California through April 2017 as summarized by the State of California's Department of Health Care Services, Mental Health and Substance Use Disorder Services in its July 2018 Report. This memo also outlines the County's Behavior Health Services expansion of programs for its adult system of care.

<sup>1</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4263938&GUID=32623866-8137-46E7-8D24-DFCECA1C562B&Options=&Search=>

The second memorandum was submitted to the Board of Supervisors on December 17, 2019 as part of a report requested by Supervisors Chavez and Cortese (Board Referral Item Number 16 ID#98761 approved on November 5, 2019)<sup>2</sup>, which directed the Behavioral Health Services Department to provide options for consideration relating to the provision of safe places and support services for members of the community with high needs, who are severely mentally ill, dually diagnosed, and unhoused (*Attachment C*).

The Administration understands the Mayor and City Council's shared interest in ensuring that adequate and high quality resources are available and accessible to residents struggling with mental illnesses, substance use, or both. As part of its work in helping draft the Community Plan to End Homelessness, the City Manager's Office and Housing Department are working with their County partners to better assess the existing capacity of behavioral health resources against the need in the community. As the City moves from the planning and community engagement phases of this process to implementation of a San José-specific operational plan, the Administration will continue to advocate for the resources necessary to close any existing resource gaps.

/s/  
LEE WILCOX  
Chief of Staff, City Manager's Office

For questions, please contact Sarah Zárata, Assistant to the City Manager, at (408) 535-5601.

Attachments:

- Attachment A: December 12, 2019 Letter to Board of Supervisors regarding Conservatorship in Santa Clara County
- Attachment B: County of Santa Clara Behavioral Health Services Update on Assisted Outpatient Treatment (Laura's Law)
- Attachment C: County of Santa Clara Behavioral Health Services Report on Safe Places and Support Services for Mentally Ill/Dually Diagnosed Individuals

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<sup>2</sup> [http://sccgov.iqm2.com/Citizens/Detail\\_LegiFile.aspx?Frame=SplitView&MeetingID=11147&MediaPosition=&ID=99307&CssClass=](http://sccgov.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=SplitView&MeetingID=11147&MediaPosition=&ID=99307&CssClass=)



## City Council

200 E. Santa Clara St., 18<sup>th</sup> Fl., San José, CA 95113 tel (408) 535-4900

December 12, 2019

Board of Supervisors  
County of Santa Clara  
70 West Hedding Street  
San Jose, CA 95110

**Re: Conservatorship in Santa Clara County**

Dear Santa Clara County Board of Supervisors,

We write on behalf of the City of San José to encourage the County to pursue additional options in addressing mental health treatment for homeless individuals, including conservatorship. Currently the County of Santa Clara staff, Destination: Home, and City of San José staff are working to finalize a new Community Plan to End Homelessness—better aligning our goals and strategies. As we embark on implementing this plan we must collectively align our operations, resources, and policies to meet these goals.

To that end, we share the position outlined in the November 5, 2019 memo from Supervisors Chavez and Cortese that “the County of Santa Clara needs to act with urgency as it relates to providing safe places and supportive services to very vulnerable members of our community who are severely mentally ill, dually-diagnosed, unhoused and unable to proactively access community-based mental health services.”

According to the 2019 City of San José Homeless Census and Survey, 42% of homeless survey respondents reported a psychiatric or emotional condition in the City of San José. Homeless individuals who lack capacity because of a severe mental illness to provide for their basic human needs cannot continue to fall victim to uninhabitable living conditions, drug and alcohol abuse, and risks of harm to themselves or others on the streets. It is imperative that we examine conservatorship options, including implementing Laura’s Law in Santa Clara County for outpatient services and inpatient options to address a portion of this population’s needs.

As you know, the State of California passed Laura’s Law in 2002 to introduce court-mandated assisted outpatient treatment for those who are likely to benefit from it. To date, 20 counties in California have implemented Laura’s Law, including the Bay Area Counties of San Mateo, Alameda, Contra Costa, Marin, and San Francisco. In San Francisco County, 91% of patients saw reduced hospitalization, with 88% reducing their time spent incarcerated, and 74% reducing their use of Psychiatric Emergency Services. Not only that, but in Nevada County, where Laura’s Law was first implemented, the law has saved between \$1.82 to \$2.52 per \$1.00 invested in the

District 1-Chappie Jones, Vice Mayor

District 3-Raul Peralez

District 5-Magdalena Carrasco

District 7-Maya Esparza

District 9-Pam Foley

Sam Liccardo, Mayor

District 2-Sergio Jimenez

District 4-Lan Diep

District 6-Dev Davis

District 8-Sylvia Arenas

District 10-Johnny Khamis

Letter from City of San José City Council  
Conservatorship in Santa Clara County  
December 12, 2019

program. Laura's Law is saving lives, saving money, and giving people the help that they need.

Additionally, in September of 2018, the State of California passed Senate Bill 1045, which allows the City and County of San Francisco, Los Angeles, and San Diego Counties to pilot a 5-year program of housing-based conservatorship. SB 1045 increases the responsiveness of courts to individuals lacking capacity to take care of their health and welfare by making available a conservatorship when those individuals are suffering from both a severe mental illness as well as a substance use disorder. Individuals that fail to qualify as "gravely disabled" often get stuck in a chronic cycle of coming in and out of 72-hour psychiatric holds, and are victims of a dysfunctional system that is in desperate need of reform. We encourage Santa Clara County to advocate for inclusion in this or comparable legislation that effectively treats the most vulnerable in our County.

We are heartened that the County is examining additional service needs for homeless individuals, including those suffering mental health disease and drug addiction. We share your goals of ending homelessness in our community, and look forward to continuing to collaborate on solutions.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Liccardo". The signature is fluid and cursive, with a large initial "S" and "L".

Mayor Sam Liccardo  
on behalf of the City of San José City Council

C. County Administration  
City Manager





**DATE:** August 22, 2019  
**TO:** Health and Hospital Committee  
**FROM:** Toni Tullys, Director, Behavioral Health Services  
**SUBJECT:** Update on Assisted Outpatient Treatment (Laura's Law)

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On June 19, 2019, at the request of Supervisor Ellenberg, the Behavioral Health Services Department (the Department) was asked to provide an update on Assisted Outpatient Treatment (AOT), also known as Laura's Law, at the August 2019 Health and Hospital Committee.

On September 13, 2017, the Department provided a detailed report to the Board of Supervisors (Board) through the Health and Hospital Committee related to the possible implementation of Assisted Outpatient Treatment (also known as Laura's Law), which allows using the judicial system when constituents are in high need of mental health services (LF # 88121). The report describes the history of the AOT legislation, the 2004 development of the Mental Health Services Act (MHSA), which emphasized voluntary programs, and the AOT goals, eligibility criteria and court process.

In 2002, California Assembly Bill 1421 (Laura's Law) authorized the provision of AOT which is defined as categories of outpatient services that have been ordered by a court per California Welfare and Institution Code (WIC) 5346. The bill was a result of a Nevada County shooting death of three people, including Laura Wilcox, by an individual with mental illness who was not participating in treatment. While the law was passed, it was not funded, leaving County Boards of Supervisors to decide whether or not they would implement AOT and how they would fund the program. Each County Board of Supervisors must approve AOT implementation in their county. Per state statute, no voluntary mental health programs may be reduced as a result of the implementation of AOT.

### **Update on California's AOT Implementation**

While Nevada County implemented AOT in 2008 and Yolo County in 2013, the majority of counties who chose to implement AOT did not begin implementation until 2015-2016. As reported in the Department's September 2017 AOT report, 14



counties had implemented the program, three had adopted AOT, but had not implemented, and one county was considering AOT. Currently, 20 counties have implemented AOT as an available tool for people with serious mental illness who are unable and/or unwilling to participate in treatment and meet the criteria for AOT in the WIC 5346. The 20 counties are:

- |                 |                     |                   |
|-----------------|---------------------|-------------------|
| 1. Alameda      | 8. Nevada           | 15. Santa Barbara |
| 2. Contra Costa | 9. Orange           | 16. Shasta        |
| 3. El Dorado    | 10. Placer          | 17. Solano County |
| 4. Kern         | 11. San Diego       | 18. Stanislaus    |
| 5. Los Angeles  | 12. San Francisco   | 19. Ventura       |
| 6. Marin        | 13. San Luis Obispo | 20. Yolo          |
| 7. Mendocino    | 14. San Mateo       |                   |

### **AOT Evaluations and Results**

In July 2018, the California Department of Health Care Services (DHCS) Mental Health and Substance Use Disorder Services released a report on Laura's Law: Assisted Outpatient Treatment Demonstration Project Act of 2002 (Attached). DHCS is required to establish criteria and collect outcomes data from counties that choose to implement the AOT program and to produce an annual report on the program's effectiveness, which is due to the Governor and Legislature annually by May 1. The attached report is based on May 2016 - April 2017 data, which was provided by six counties: Contra Costa, Los Angeles, Nevada, Orange, Placer and San Francisco. The Report Summary stated that there are three important developments for this reporting period:

- 1) Two additional counties provided data on AOT clients as compared to the previous reporting period,
- 2) The six counties that provided data to DHCS reported a positive impact on the three data items emphasized by the statute governing AOT (WIC Sections 5345-5349.5) – homelessness, hospitalizations, and incarcerations, and
- 3) Counties continue to report that few individuals require court involvement to participate in AOT services.

There were 63 court-ordered involved individuals in the six counties that provided data. A total of 380 individuals were served voluntarily by the six counties reporting data and the majority were in Los Angeles and Orange counties.

The programs reported that the majority of their AOT referrals responded to the initial invitation to participate in voluntary services and did not require a court petition or process. Counties reported that this is due to a successful engagement process, as most individuals referred for assessment accept the first offer for voluntary services. Many individuals due to their symptoms, do not immediately access mental health services, but may accept a voluntary service in response to county engagement efforts and to avoid a court process.

DHCS also identified several limitations of this analysis. While the data has increased since additional counties have implemented AOT programs, the number of court-ordered participants remains small and counties were not using standardized measures. There was no comparison and/or control group, so it was unknown as to whether the improvements were a result of AOT program services, or other factors. The report was based on aggregated outcomes of the 63 individuals from the six counties that reported court-ordered services.

In conclusion, the DHCS report indicated that the program was successful in reducing the need for hospitalizations and/or incarcerations, largely due to an increased amount of support and increasing employment during the reporting period.

Contra Costa and San Francisco Counties recently completed extensive evaluations of their AOT pilot programs. Contra Costa completed their evaluation in October 2018, following two and a half (2 ½) years of implementation, and served 80 individuals in the Assertive Community Treatment (ACT) program; 63 volunteered and 17 were court-ordered. San Francisco completed their three-year evaluation in March 2019 and 89 out of 129 individuals in the AOT program voluntarily engaged in services; 85 individuals remained connected to a treatment provider at the time of the evaluation. The AOT team provided clinical case management to 43 of these individuals (26 voluntary and 17 court ordered). Both counties reported positive client outcomes (decrease in crisis services, inpatient psychiatric hospitalization and incarceration), cost savings, and small numbers of court-ordered individuals.

### **Summary of Findings**

A significant majority of individuals that have been referred and meet the criteria for AOT programs voluntarily accept services and achieve positive outcomes, including reductions in crisis/emergency psychiatric services, inpatient psychiatric hospitalization, homelessness and incarceration. There are small numbers of court-ordered clients in AOT programs, which cannot show statistical significance.

However, court-ordered clients have demonstrated individual progress and some have achieved the same types of positive outcomes as the voluntary clients.

Counties have developed and learned from AOT pilots, implemented AOT outreach, engagement and clinical teams to serve the population, and utilized Full Service Partnerships (FSPs) or ACT teams for clinical services. Consistent outreach and peer support have been important components to engage and support individuals in AOT services.

AOT program costs may vary based on each county, but the primary costs are for direct service staff, which often includes a program manager, clinical staff, peer workers and administrative support. Orange County and Nevada County estimated the AOT mental health treatment costs at \$35,000 to \$40,000 per person per year. This aligns with the estimated cost for the Department's new ACT program for adults with serious mental illness that need intensive outpatient services.

In reviewing the evaluations and discussing AOT services with county and consultant colleagues, AOT can be a useful tool to identify, engage and treat a small group of people with serious mental illness who would otherwise be unable to participate in services that they need. However, the data on court-ordered individuals enrolled is limited, and while AOT has produced positive outcomes, it will not engage every person with serious mental illness into services or every loved one that a family member cares about.

### **Expansion of Behavioral Health Services for Adults and Older Adults**

Over the past year, the Department has implemented several new programs to address gaps, expand the continuum of care, outreach and engage individuals for services, and track and evaluate client/consumer outcomes. The intent of the new programs is to connect Adults/Older Adults into the appropriate services for their needs.

New programs include the County-operated In-home Outreach Team (IHOT), which will outreach to Emergency Psychiatric Services (EPS) clients/consumers and connect them to services, and the IHOT community-based teams that will serve clients/consumers and families across the county. For individuals in crisis, there is a Crisis Text Line (text RENEW to 74141) and Adult Mobile Crisis Response Teams that assess individual needs over the phone, identify and connect callers to services, and make home visits when needed. These new services are available 24/7.

Vendors have been selected to provide ACT and Forensic ACT (FACT) services, which are evidence-based and the highest level of outpatient services for individuals with serious mental illness. While these are new services in Santa Clara County, ACT and FACT have demonstrated positive and consistent consumer outcomes for many years and are designed for individuals coming out of hospitals or custody and/or those who need intensive and frequent services. In addition, new Intensive

Full Service Partnerships (FSPs) will provide “whatever it takes” mental health services for Transitional Age Youth, Adults and Older Adults. The ACT, FACT and Intensive FSPs will provide 800 new service slots for adult consumers. Substance Use Treatment Services has increased outpatient services by 220 slots and anticipates serving an additional 800 clients in the next year. Detoxification beds also have been increased from 28 to 36 with an expectation to serve over 500 clients.

The Department’s expansion of Adult/Older Adult services was designed to outreach, engage, connect, and support individuals with serious mental illness and substance use disorders in voluntary, evidence-based services. The new ACT/FACT programs and Intensive FSPs are the same services utilized in the AOT programs.

Implementation is planned for October 2019 and the Department expects an increase in the number of people receiving these intensive services and a decrease in EPS visits, psychiatric hospitalization, incarceration and homelessness over time.

**Attachment:**

- DHCS Laura’s Law: Assisted Outpatient Treatment Demonstration Project Act of 2002, July 2018



# **Laura's Law: Assisted Outpatient Treatment Demonstration Project Act of 2002**

**For the Reporting Period  
May 2016 – April 2017**

**Department of Health Care Services  
Mental Health and Substance Use Disorder Services**

**JULY 2018**

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## EXECUTIVE SUMMARY

Assembly Bill (AB) 1421 (Thomson, Chapter 1017, Statutes of 2002) established the Assisted Outpatient Treatment Demonstration Project Act of 2002 in Welfare and Institutions Code (WIC) Sections 5345 – 5349.5, known as Laura’s Law (named after one of the individuals killed during a 2001 incident in Nevada County, California). Laura’s Law requires the Department of Health Care Services (DHCS) to establish criteria and collect outcomes data from counties that choose to implement the AOT program and produce an annual report on the program’s effectiveness, which is due to the Governor and Legislature annually by May 1. Using data provided by participating counties, DHCS is required to provide an evaluation of the effectiveness of the county programs in developing strategies to reduce the clients’ risk for homelessness, hospitalizations, and involvement with local law enforcement. This report serves as the May 1, 2017 annual report and provides outcomes for the May 2016 – April 2017 reporting period.

The table below shows a list of counties that have received Board of Supervisors approval to operate an AOT program, counties that submitted an AOT report to DHCS and, of those, which county AOT reports provided data to DHCS during this reporting period. Seventeen counties have Board of Supervisors approval to operate an AOT program: Alameda, Contra Costa, El Dorado, Kern, Los Angeles, Mendocino, Nevada, Orange, Placer, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Stanislaus, Ventura, and Yolo<sup>1</sup>. During this reporting period, 12 counties submitted reports to DHCS: Alameda, Contra Costa, Kern, Los Angeles, Mendocino, Nevada, Orange, Placer, San Francisco, San Mateo, Ventura, and Yolo. Six of these counties had data to report on AOT court ordered or settled<sup>2</sup> individuals: Contra Costa, Los Angeles, Nevada, Orange, Placer and San Francisco. The remaining six programs did not have court-ordered individuals or had too little data for the reporting year to report to DHCS, but provided information on their programs’ progress. Accordingly, this report reflects aggregate outcomes for 63 individuals from the six counties that reported court-ordered or settled AOT client data to DHCS. This is more than double the number of participants compared to the previous 2015-16 reporting period, which included 28 court-involved individuals in AOT programs.

Participating County Implementation and Reporting Status (as of April 2017)\*

County	Board of Supervisors Approval	Submitted a Report to DHCS	Report Included AOT Data
Alameda	X	X	
Contra Costa	X	X	X
El Dorado	X		
Kern	X	X	

<sup>1</sup> Stanislaus County received board of supervisor approval to implement a pilot program in April 2018. Since this occurred after the reporting period, data for Stanislaus is not reflected in this report.

<sup>2</sup> Court “settled” means that the individual receives services through a court settlement, rather than a hearing.

County	Board of Supervisors Approval	Submitted a Report to DHCS	Report Included AOT Data
Los Angeles	X	X	X
Mendocino	X	X	
Nevada	X	X	X
Orange	X	X	X
Placer	X	X	X
San Diego	X		
San Francisco	X	X	X
San Luis Obispo	X		
San Mateo	X	X	
Santa Barbara	X		
Stanislaus	X		
Ventura	X	X	
Yolo	X	X	

\*Stanislaus County received board of supervisor approval to implement a pilot program in April 2018. Since this occurred after the reporting period, data for Stanislaus is not reflected in this report.

### 2016-17 Report Summary

There are three important developments for this reporting period: 1) two additional counties provided data on AOT clients as compared to the previous reporting period, 2) the six counties that provided data to DHCS reported a positive impact on the three data items emphasized by the statute governing AOT (WIC Sections 5345-5349.5) – homelessness, hospitalizations, and incarcerations, and 3) counties continue to report that few individuals require court involvement to participate in AOT services. In this reporting period, there were 63 court-involved individuals in the six counties that provided data<sup>3</sup>.

Laws governing AOT programs require individuals whose cases are court-ordered or settled to receive services in a program that also provides the same services to individuals who are participating in the program voluntarily. Individuals referred for an AOT assessment must be offered voluntary services first before a court petition is considered. The programs reported that the majority of their AOT referrals responded to the initial invitation to participate in voluntary services, and did not require a court petition or process. Counties report that this is due to a successful initial engagement process, as most individuals referred for assessment accept the first offer for voluntary services. Many individuals, due to the symptoms of their mental illness, do not initially access local mental health services, but may accept a voluntary services offer

<sup>3</sup> 380 individuals were served voluntarily by the six counties reporting data, the majority were in Los Angeles and Orange counties.



in response to county engagement efforts and to avoid a court process.

Due to the small number of court-ordered or settled individuals in each county AOT program, health privacy laws prevent DHCS from reporting specific numbers on each of the required outcomes. This report reflects the following aggregate findings for the AOT program clients, using data for the six counties that reported data from their AOT services, which were provided during this reporting period:

- Homelessness decreased amongst individuals participating in the program.
- Hospitalization decreased amongst individuals participating in the program.
- Contact with law enforcement decreased amongst individuals participating in the program.
- Most individuals remained fully engaged with services.
- Some individuals were able to secure employment.
- Little victimization<sup>4</sup> was reported for individuals in the program.
- Violent behavior decreased during the reporting period for some individuals.
- Some clients had co-occurring diagnoses. Many of those individuals were able to reduce substance use.
- Some clients were subject to enforcement mechanisms<sup>5</sup> ordered by the court during AOT. Some of these individuals were involuntarily evaluated, many had additional status hearings, and many received medication outreach.
- Many individuals achieved moderate to moderately high levels of social functioning.
- Some clients agreed to participate in satisfaction surveys and indicated high levels of satisfaction with services.

There are several noteworthy limitations of DHCS' analysis. Although the reportable data has increased since additional counties have implemented AOT programs, court-ordered participant numbers remain small and counties are not using standardized measures. This makes it difficult to make a comparable evaluation across counties, and further, there is no comparison and/or control group, so it is unknown as to whether or not all of the improvements in participant outcomes were a result of AOT program services or if other factors were involved. Some of the measures are based on self-reports and/or recollections of past events, which may or may not be accurate or reliable. Furthermore, individuals were followed for different periods of time (e.g., individual A may have been followed for one week, while individual B may have been followed for the entire reporting year). As with other programs that have transitory populations in different phases of program completion, there may be carry over data from the prior reporting year. Despite these limitations, the data submitted by counties indicate improvements to many of the reported outcomes for individuals who were served during this reporting period.

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<sup>4</sup> Victimization is based on county definitions and reports of victimization include descriptions of the incidents.

<sup>5</sup> Examples of enforcement mechanisms used by courts include, but are not limited to, involuntary evaluation, increased number of status hearings, and medication outreach.

## INTRODUCTION

AB 1421 (Thomson, Chapter 1017, Statutes of 2002) established the Assisted Outpatient Treatment (AOT) Demonstration Project Act of 2002, known as Laura's Law. AB 1569 (Allen, Chapter 441, Statutes of 2012) extended the sunset date for the AOT statute from January 1, 2013, to January 1, 2017; and AB 59 (Waldron, Chapter 251, Statutes of 2016) extended the sunset date for the AOT statute until January 1, 2022, and added the Governor as a direct recipient of this report. The program was transferred from the former Department of Mental Health (DMH) to the Department of Health Care Services (DHCS) and incorporated into DHCS' county mental health performance contracts with the enactment of SB 1009 (Committee on Budget and Fiscal Review, Chapter 34, Statutes of 2012).

DHCS is required to annually report to the Governor and Legislature on the effectiveness of AOT programs by May 1 of every year. Pursuant to WIC Section 5348, effectiveness of AOT programs is evaluated by determining whether persons served by these programs:

- Maintain housing and participation/contact with treatment;
- Have reduced or avoided hospitalizations; and
- Have reduced involvement with local law enforcement, and the extent to which incarceration was reduced or avoided.

To the extent data are provided by participating counties, DHCS must also report on:

- Contact and engagement with treatment;
- Participation in employment and/or education services;
- Victimization;
- Incidents of violent behavior;
- Substance use;
- Required enforcement mechanisms;
- Improved level of social functioning;
- Improved independent living skills; and
- Satisfaction with program services.

The AOT statute provides a process for designated individuals who may refer someone to the county mental health department for an AOT petition investigation. In order for an individual to be referred to the court process, the statute requires certain criteria to be met, voluntary services to be offered, and options for a court settlement rather than a hearing to be provided.

## BACKGROUND

The statutory requirements for Laura's Law do not require counties to provide AOT programs and do not appropriate any additional funding to counties for this purpose. For many years, only Nevada County operated an AOT program. The passage of SB 585 (Steinberg, Chapter 288, Statutes of 2013) authorized counties to utilize specified funds for Laura's Law services, as described in WIC Sections 5347 and 5348. Since the enactment of this legislation, an increasing number of counties have implemented AOT. See Appendix A for a history of AOT in California.

### Implementation of Laura's Law

The table below shows a list of counties who have received Board of Supervisors approval to operate an AOT program, counties that submitted an AOT report to DHCS and, of those, which county AOT reports provided data to DHCS during this reporting period. Seventeen counties have Board of Supervisors approval to operate an AOT program: Alameda, Contra Costa, El Dorado, Kern, Los Angeles, Mendocino, Nevada, Orange, Placer, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Stanislaus, Ventura, and Yolo.<sup>6</sup> Most AOT programs are still in early implementation stages and have few or no clients who are court-ordered or settled.

The following 12 counties submitted reports to DHCS on their AOT programs for the reporting period: Alameda, Contra Costa, Kern, Los Angeles, Mendocino, Nevada, Orange, Placer, San Francisco, San Mateo, Ventura, and Yolo. Of these, Contra Costa, Los Angeles, Nevada, Orange, Placer, and San Francisco counties had data to report based on the individuals participating in their AOT programs that were court-ordered and/or settled. Kern and Yolo Counties reported on their programs, but did not yet have any individuals in AOT programs or did not have enough data to include. Alameda, Mendocino, San Mateo, and Ventura Counties reported on their new programs, but did not have clients during most of the reporting period, and therefore did not have enough data to include.

#### Participating County Implementation and Reporting Status (as of April 2017)\*

County	Board of Supervisor Approval	Submitted a Report to DHCS	Report Included AOT Data
Alameda	X	X	
Contra Costa	X	X	X
El Dorado	X		
Kern	X	X	
Los Angeles	X	X	X
Mendocino	X	X	
Nevada	X	X	X
Orange	X	X	X

<sup>6</sup> Stanislaus County received board of supervisor approval to implement a pilot program in April 2018. Since this occurred after the reporting period, data for Stanislaus is not reflected in this report.

County	Board of Supervisor Approval	Submitted a Report to DHCS	Report Included AOT Data
Placer	X	X	X
San Diego	X		
San Francisco	X	X	X
San Luis Obispo	X		
San Mateo	X	X	
Santa Barbara	X		
Stanislaus	X		
Ventura	X	X	
Yolo	X	X	

\* Stanislaus County received board of supervisor approval to implement a pilot program in April 2018. Since this occurred after the reporting period, data for Stanislaus is not reflected in this report.

## DATA COLLECTION AND REPORTING METHODOLOGY

Most counties have implemented their AOT programs as part of their Mental Health Services Act (MHSA) Full Services Partnership (FSP) programs. Welfare and Institutions Code §5348(d) sets forth the reporting requirements for both the counties and the State and lists the required data elements that, if available, must be included. As a result, counties obtain data for AOT clients from some or all of the following sources:

- Client intake information
- MHSA FSP Outcome Evaluation forms
  - Partnership Assessment Form – The FSP baseline intake assessment.
  - Key Event Tracking (KET) – Tracks changes in key life domains such as employment, education, and living situation.
  - Quarterly Assessment – Tracks the overall status of a partner every three months. The Quarterly Assessment captures data in different domains than the KETs, such as financial support, health status, and substance use.
- “Milestones of Recovery Scale” (MORS) <sup>7</sup>
- Global Assessment of Functioning – Indicates the level of presence of psychiatric symptoms.

<sup>7</sup>This scale was developed from funding by a Substance Abuse and Mental Health Services Administration grant and designed by the California Association of Social Rehabilitation Agencies and Mental Health America Los Angeles researchers Dave Pilon, Ph.D., and Mark Ragins, M.D., to more closely align evaluations of client progress with the recovery model. Data collected from the MORS is used with other instruments in the assessment of individuals functioning level in the Social Functioning and Independent Living Skills sections. Engagement was determined using a combination of MORS score improvement, contact with treatment team tolerance and social activity.

- Mental Health Statistics Improvement Program Consumer Surveys – Measure matters that are important to consumers of publicly funded mental health services in the areas of access, quality, appropriateness, outcomes, overall satisfaction, and participation in treatment planning

Counties collected and compiled the required information into written reports, which were submitted to DHCS. Due to the small population sizes reported, AOT clients may be identifiable. DHCS is committed to complying with federal and state laws pertaining to health information privacy and security.<sup>8</sup> In order to protect clients' health information and privacy rights, summary numbers for each of the specified outcomes cannot be publicly reported. In order for DHCS to satisfy its AOT program evaluation reporting requirement, as well as protect individuals' health information, DHCS adopted standards and procedures to appropriately and accurately aggregate data, as necessary.

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<sup>8</sup> Federal laws: Privacy Rule and the Security Rule contained in the Health Insurance Portability and Accountability Act and clarified in Title 45 Code of Federal Regulations Part 160 and Subparts A and E of 164. State Laws: Information Practices Act and California Civil Code Section 1798.3, et. seq.

## FINDINGS FOR REPORTING PERIOD May 1, 2016 – April 30, 2017

Based on county-reported data, there are very few individuals entering the AOT programs as a result of court orders or settlements. Individuals referred for an AOT assessment must be offered voluntary services before a court petition is considered. The programs reported that the majority of their AOT referrals responded to the initial invitation to voluntary services and did not require a court petition or process. Counties report that this is due to a successful initial engagement process, as most individuals referred for assessment accept the first offer for voluntary services.

Although 16 counties have implemented AOT programs, the data summarized in this report reflect the six counties that had data for court-ordered or settled individuals. Data for these counties are aggregated, with highlights of each program listed first. The six counties' AOT programs collectively served a total of 63 court involved individuals. This is more than double the number of participants as compared to the last reporting period, in which 28 individuals were in AOT programs.

### **Part I: County Programs Serving AOT Court-Involved Individuals –** Contra Costa, Los Angeles, Nevada, Orange, Placer, and San Francisco

#### County Program Unique Highlights

Contra Costa County reported that, during its first year of operation, 91 percent of individuals referred for assessment for AOT services accepted voluntary services.

Los Angeles County reported serving voluntary clients since 2010 in a pilot AOT program. The county then fully implemented and expanded its AOT program in 2015. This is the first reporting year that Los Angeles has had court-ordered or settled AOT participants. As with the other counties, the Los Angeles court-ordered or settled participants are a fraction of its overall number of AOT participants.

Nevada County has had the longest running AOT program, dating back to 2008. Consistently over that time, the majority of the referred individuals accepted the program's invitation to participate in voluntary services rather than requiring a court-order or settlement.

Orange County noted that, while there was overall improvement in housing over the reporting period, participants still experienced challenges finding and maintaining housing.

Placer County continues to be in the early stages of providing AOT services to individuals and has a small number of participants.

San Francisco County has developed an [AOT Care Team](#), which is responsible for AOT court petitions and advocating for AOT individuals with preexisting charges to be referred to collaborative courts such as Behavioral Health Court. Behavioral Health Court is focused on family support including offering resources such as a Family Liaison, information, and assistance navigating the mental health and criminal justice systems. San Francisco County continues to host a quarterly conference call with other counties that have implemented AOT to share information and experiences of AOT programs.

### Demographic Information

Counties reported that the majority of participating individuals were Caucasian males between ages 26 and 59. This is similar to the information from the last reporting period, which indicated the majority of individuals in the programs were males identifying as Caucasian between 26 and 59 years of age. Some counties reported seeing more racial diversity in their AOT populations, and more female participants.

### Homelessness/Housing

In the previous reporting period, homelessness among those served decreased. For this reporting period, counties reported modest reductions in homelessness, with the majority of clients obtaining and maintaining housing while in the AOT program.

### Hospitalization

In the last reporting period, many of the individuals who were hospitalized prior to receiving AOT services experienced decreases in their hospitalization days. This reporting period, most programs reported that the majority of clients with psychiatric hospitalizations prior to AOT either reduced their days of hospitalization during AOT or entirely eliminated hospitalizations.

### Law Enforcement Contacts

In the last reporting period, programs reported law enforcement contacts (measured as “days of incarceration”) were reduced for all individuals that had experienced incarceration days prior to AOT. For this reporting period, this trend continues as all programs reported reductions in law enforcement contact for participants in AOT programs.

### Treatment Participation / Engagement

For the previous reporting period, participants’ ability to engage and participate in treatment varied significantly. Counties indicated that programs focused on assisting individuals with critical symptoms who were reluctant to approach treatment, and most participants were able to achieve at least moderate levels of engagement. For this reporting period, the majority of the participants again were able to engage in treatment and remain in contact with their programs. This continues to result in positive outcomes for reducing hospitalizations, incarcerations, and homelessness.

## Employment

In the prior reporting period, few clients were employed while in the program. Generally, clients were either not far enough along in treatment to gain employment or the AOT program had not yet implemented employment services as a component. For this reporting period, there was an increased level of employment for individuals across programs, including some participation in education.

## Victimization

For the previous reporting period, there were few reported instances of victimization for participants prior to AOT program participation, and none reported for individuals during their AOT program participation. For this reporting period, there were again few reports of victimization, with some programs reporting that individuals were reluctant to share such information via the questionnaires that were used. These programs indicate that they will modify their questionnaires and/or programs to provide more comfortable means for individuals to share such sensitive information.

## Violent Behavior

In the prior reporting period, counties reported an overall decrease in violent behavior. In the current reporting period, some programs reported violent episodes for individuals who were struggling with initial phases of stability, and other programs reported that the AOT program participants displayed decreased violent behavior or that they did not collect data on this outcome measure.

## Substance Abuse

During the last 2015-16 reporting period, one AOT program reported a decrease in substance use for the majority of its clients; however, most AOT programs could not report on the AOT program's impact on substance use due to lack of information provided by the participants.

For the 2016-17 reporting period, all programs reported varying levels of challenges with participant substance use. The majority of individuals in AOT have co-occurring diagnoses, meaning that they have both mental health and substance use disorder diagnoses. This presents a complication for programs to support individuals in recovery from both issues. In some cases, the majority of individuals in the programs relapsed during AOT, while other programs reported the majority were able to avoid substance use.

## Enforcement Mechanisms

For the last reporting period, medication outreach (e.g., visiting clients to discuss medication, helping prepare medication boxes) was the enforcement mechanism used most often to support individuals who experienced challenges in managing and regularly administering their own medications. Some programs used status hearings as a vehicle to help individuals re-focus on their treatment goals and self-care when they were



missing appointments and their mental health was beginning to decompensate.

For this reporting period, the most common enforcement mechanisms used were additional status hearings, with a small group of individuals receiving orders for hospitalization for the purpose of psychiatric evaluation. Some programs provided medication outreach as a regular support for their participants.

### Social Functioning

For the prior reporting period, all AOT programs provided DHCS with anecdotal information on clients' increased social functioning, generally credited to the staff's ability to develop good rapport with the clients.

For this reporting period, overall, AOT programs reported increased social functioning and considered the participants' ability to interact with staff and tolerate therapeutic interactions a significant outcome in this area.

### Independent Living Skills

For the last reporting period, most programs communicated to DHCS that the participants needed guidance with a wide array of independent living skills, such as medication management, money management, housing maintenance, and activities of daily living (e.g., dental hygiene), especially those who were generally homeless or frequently hospitalized prior to the court order.

During this period, programs reported that the majority of individuals improved in their independent living skills, as indicated by improved scores on the Milestone of Recovery Scale, and demonstrated strengthened skills in stress management, improved hygiene, food preparation, and transportation.

### Satisfaction with Services

For the last reporting period, most AOT programs leveraged the annual Mental Health Statistics Improvement Program to report satisfaction with services. Because satisfaction surveys are voluntary, some clients refused to complete them. AOT Programs that surveyed clients and families found that the majority responded positively about the program and services.

For this reporting period, the majority of surveyed individuals were also satisfied with their services. Some programs have or are developing their own survey tool to capture individual responses that are unique to AOT programs rather than utilizing a pre-established survey, which include services beyond AOT.

## Part II: Programs with No AOT Court Ordered Individuals –

El Dorado, Kern, Mendocino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Ventura, and Yolo Counties

### County Program Unique Highlights

El Dorado County is implementing AOT by conducting a pilot program and currently has voluntary clients.

Kern County began services in Fall 2015 and continues to have only voluntary clients during both the current and previous reporting periods.

Mendocino County has implemented a four-slot pilot program for AOT and had no court-ordered or settled participants.

San Diego County just completed the first year of their new program with no court-ordered or settled participants.

San Luis Obispo County is still in the early stages of implementing their new program.

San Mateo County assembled a team consisting of a Clinical Services Manager, one half-time Psychologist, one Psychiatric Social Worker, one half-time Deputy Public Guardian and two half-time Peer Support Workers that travel throughout the county to evaluate individuals and provide referrals to services if needed. San Mateo County includes a Peer Support Worker to enhance engagement and support for individuals encountering the AOT program.

Santa Barbara County did not have a full year of the new program for this reporting period and did not have any court-ordered or settled participants.

Ventura County recently began receiving individuals, but did not have any during the reporting period.

Yolo County has a five slot AOT program, which was implemented three years ago. To date, it has only voluntary individuals have utilized the program.

### Summary of Programs

The numbers of individuals participating in AOT services statewide has increased since more counties have implemented AOT programs. Programs report that ongoing efforts to develop robust engagement and support strategies have led to more engaged participation in AOT programs and voluntary participation in AOT services. With continued success in this area, programs are likely to maintain low numbers of individuals that require court involvement.

## LIMITATIONS

There are several noteworthy limitations of DHCS' analysis. Although participating counties have provided additional data, court ordered client numbers remain small. The small population size makes it difficult to determine if the data allows for statistically significant conclusions. Additionally, counties are not using standardized measures, which makes it difficult to make comparisons across counties. Further, there is no comparison and/or control group, so it is unknown as to whether or not the improvements were a result of AOT program services, or other factors. Some of the measures are based on self-reports and/or recollections of past events, which may or may not be accurate or reliable. Furthermore, individuals were followed for different periods of time (e.g., individual A may have been followed for one week, while individual B was followed for the entire reporting period). As with other programs that have transitory populations in different phases of program completion, there may be carry over data from the prior reporting period.

Despite these limitations, DHCS' analysis suggests improved outcomes for AOT program participants served during the reporting period. Notably, the majority of individuals referred for an assessment opt to engage in voluntary AOT program services after being offered those services as part of the assessment process.

## DISCUSSION

The data provided by counties suggest that individuals have benefited from participation in AOT programs, as evidenced by reductions in hospitalizations, homelessness, contact with law enforcement, and substance use. With respect to individuals that have both substance use and mental health issues, it is important to understand that concurrently recovering from both represents enormous challenges and requires a great deal of support and counseling. Some counties found that there were challenges with participants relapsing and at times relapses lead to further psychiatric hospitalizations.

Prior to participating in an AOT program, many individuals' experience with mental health treatment mainly involved locked facilities or hospitalization. Therefore, many clients had to adjust to forming relationships with supportive community mental health workers and to receiving intensive services outside of a locked setting. The success of this adjustment was indicated by the engagement by most individuals in AOT programs overall, whether voluntary or involuntary, and by the majority of individuals who completed a satisfaction survey indicating that they were satisfied with the services and supports.

Counties continue to report that only a small fraction of their overall AOT program populations (voluntary plus involuntary individuals) require a court order or settlement to participate. This suggests that counties are maintaining a strong effort to engage individuals in voluntary services and avoiding the court petition process.

## CONCLUSION

Seventeen counties currently have Board of Supervisors approval to operate an AOT program. During this reporting period, 12 counties submitted reports to DHCS, six of which had data to report on AOT court-ordered or settled individuals. The other reporting AOT programs did not have court-ordered or settled client data to report to DHCS, but provided information on their programs' progress. This report includes aggregate outcomes from 63 individuals from the six counties that reported court-ordered or settled AOT client data to DHCS.

The data indicates that the program was successful in reducing the need for hospitalizations and/or incarcerations, largely due to an increased amount of support, and increasing employment during this reporting period. DHCS recommends continuing to monitor the progress and effectiveness of the services in the programs as counties develop and expand their programs, and ensuring that any other counties that choose to implement Laura's Law report data to DHCS, as required.

## Appendix A

### History of Involuntary Treatment and the Development of Laura's Law in California

Among significant reforms in mental health care, the Lanterman-Petris-Short (LPS) Act (Chapter 1667, Statutes of 1967) created specific criteria by which an individual could be committed involuntarily to an inpatient locked facility for a mental health assessment to eliminate arbitrary hospitalizations. To meet LPS criteria, individuals must be a danger to themselves or others, or gravely disabled due to a mental illness (unable to care for daily needs). Following LPS, several state hospitals closed in 1973 to reduce the numbers of individuals housed in hospitals, and the intent at the time was to have communities provide mental health treatment and support to these discharged patients. However, due to limited funding, counties were unable to secure the resources necessary to provide adequate treatment or services. As a result, many of the individuals released from the hospitals ended up homeless or imprisoned with very little or no mental health treatment.<sup>9</sup>

In 1999, the state of New York (NY) passed a law that authorized court-ordered AOT for individuals with mental illness and a history of hospitalizations or violence requiring that they participate in community-based services appropriate to their needs. The law was named Kendra's Law in memory of a woman who died after being pushed in front of a New York City subway train by a man with a history of mental illness and hospitalizations. Kendra's Law defines the target population to be served by the AOT programs as "...mentally ill people who are capable of living in the community without the help of family, friends and mental health professionals, but who, without routine care and treatment, may relapse and become violent or suicidal, or require hospitalization." The program is required in all counties in NY and the individuals served by court order have priority for services. Kendra's Law improved a range of important outcomes for its recipients,<sup>10</sup> but differs from California's Laura's Law in two significant ways. It requires that all counties in NY implement AOT programs, and requires that the clients accessing these programs have priority for services.

Patterned after Kendra's Law, California passed AB 1421 (Thomson, Chapter 1017, Statutes of 2002), known as Laura's Law, that provides for court-ordered community

<sup>9</sup> For additional historical information, see Laura's Law legislative report 2011 at:

<http://www.dhcs.ca.gov/services/MH/Documents/4LaurasLawFinalReport.pdf>

<sup>10</sup> See Kendra's Law, Final Report on the Status of Assisted Outpatient Treatment Outcomes for Recipients during the First Six Months of AOT [Office of Mental Health, State of New York 2005, [http://www.omh.ny.gov/omhweb/kendra\\_web/finalreport/outcomes.htm](http://www.omh.ny.gov/omhweb/kendra_web/finalreport/outcomes.htm)] and the New York State Assisted Outpatient Treatment Program Evaluation [Swartz, MS et al. Duke University School of Medicine, Durham, NC, June, 2009, [http://www.macarthur.virginia.edu/aot\\_finalreport.pdf](http://www.macarthur.virginia.edu/aot_finalreport.pdf)].

treatment for individuals with a history of hospitalization and contact with law enforcement. It is named after a woman who was one of three killed in Nevada County by an individual with mental illness who was not following his prescribed mental health treatment. The legislation established an option for counties to utilize courts, probation, and mental health systems to address the needs of individuals who are unable to participate on their own in community mental health treatment programs without supervision. Laura's Law authorizes counties to implement an AOT program and specifies that funding for established community services may not be reduced to accommodate the program. Laura's Law has resulted in reductions in homelessness, incarceration, and hospitalization for these individuals.

County of Santa Clara  
Santa Clara Valley Health & Hospital System  
Mental Health Services



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99307

**DATE:** December 17, 2019  
**TO:** Board of Supervisors  
**FROM:** Toni Tullys, Director, Behavioral Health Services  
**SUBJECT:** Report on Safe Places and Support Services for Mentally Ill/Dually Diagnosed Individuals

**RECOMMENDED ACTION**

Under advisement from November 5, 2019 (Item No. 16): Receive report relating to safe places and support services for individuals who are mentally ill and dually diagnosed. (Behavioral Health Services Department)

**FISCAL IMPLICATIONS**

This is an informational report; therefore, there is no net fiscal impact as a result of this action.

**CONTRACT HISTORY**

Not applicable.

**REASONS FOR RECOMMENDATION**

At the request of Supervisor Chavez and Supervisor Cortese, Board Referral Item Number 16 (ID# 98761) approved on November 5, 2019, directs the Behavioral Health Services Department (Department) to provide a report on December 17, 2019 with options for consideration relating to the provision of safe places and support services for members of the community with high needs, who are severely mentally ill (SMI), dually diagnosed, and unhoused.

The following report addresses the options available to enhance engagement and provide support to provide for this population's safety and wellbeing. In addition, these options would help ensure that traditionally hard to engage members of the community would be able to gain access to and sustain participation in services that are safe and available day and night.

To better evaluate the potential options for enhancing engagement with services, included below is an overview of the support services the County currently provides for high needs, SMI, dual diagnosed, and unhoused people.

This Fall, in an effort to increase the services available for this population, the Department stood up the Assertive Community Treatment (ACT) Program, Forensic Assertive Community Treatment (FACT) Program and the In-Home Outreach Team (IHOT). Additionally, the Department has selected vendors to provide Intensive Full-Service Partnerships (IFSPs), which are based on the ACT model. These services will provide 800 new service slots for adult/older adult consumers. Substance Use Treatment Services (SUTS) has increased outpatient services by 220 slots and anticipates serving an additional 800 clients in the next year. Community-based detoxification beds also have been increased from 28 to 36 with an expectation of serving over 500 clients.

To ensure that clients/consumers and family members could provide their suggestions on the new and expanded services, the Department held a Peer and Family Support Services Discussion Group Meeting on December 5, 2019. Clients/consumers, peer workers, family members and National Alliance on Mental Illness (NAMI) staff met with Department leaders and senior managers to share their ideas for the service delivery system.

### ***Intensive Services Launched Fall 2019***

The ACT program is a long-standing evidence-based practice that has been widely used across the country for individuals with intensive mental health needs. With fidelity to the ACT model, outcomes are positive for high need clients. The ACT program will provide a comprehensive approach to serve 200 severely mentally ill individuals and will assist the homeless, severely mentally ill and individuals with both mental illness and substance use disorders by using a multi-disciplinary team approach to care. The treatment will include a psychiatrist, nurse, case managers, and peer support workers. The program is characterized by 1) low client to staff ratio, 2) a shared caseload among team members providing a coordinated care approach to service delivery, and 3) 24-hour staff availability. Referrals for this level care of care can occur through system partners such as the Office of the Public Guardian (OPG), the Office of Supportive Housing (OSH), and Whole Person Care (WPC).

The FACT Program serves high-risk criminal justice-involved adults (ages 18 to 59) and older adults (ages 60 and over) with severe and persistent mental health and/or co-occurring conditions that result in substantial functional impairments or symptoms. Due to the recalcitrant nature of their symptoms, these individuals are more likely to experience a high utilization and repetitive cycle of incarceration, homelessness, substance use, crisis, and/or hospitalization.



The FACT team, upon making a determination that the consumer has a history of chronic homelessness, will complete the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) to quickly assess the health and social needs of homeless individuals - matching them with the most appropriate services, support and housing interventions available. Immediate assistance with securing supported housing arrangements, including linkage to safe and permanent housing upon graduation from FACT, will be provided to these individuals.

The provision of FACT services will result in a diversion of individuals from correctional/judicial systems and higher levels of care which in turn will help reverse the cycle of ongoing criminal justice involvement. From the inception of treatment, FACT teams will address housing challenges for this population by conducting the VI-SPDAT which will play a critical role in addressing resistance from participants around housing, finding appropriate housing options for this population, and teaching participants skills necessary to live independently. This will prepare the individual for a more seamless transition into long-term permanent housing.

### ***Pay for Success “Partners in Wellness” Update and Outcomes***

On October 18, 2019, the Department submitted an off-agenda report to the Board of Supervisors on the outcomes to date of the County’s Pay for Success “Partners in Wellness” program. (Attached) In 2015, the Office of the County Executive (“County”) recognized that the Department cared for many high-need individuals who make extensive use of 24-hour psychiatric services (e.g., EPS, Barbara Aarons Pavilion, Institutes of Mental Disease (IMDs) and contract inpatient psychiatric hospitals) without finding stable recovery in the community. This was obviously hard on those clients and posed significant fiscal and logistical challenges for the county. To serve such individuals more effectively, while also being a good steward of public funds, the County launched a highly innovative “pay for success” mental health initiative in 2016.

The Department contracted with Telecare Corporation, the selected vendor in a procurement process, to provide a package of ACT and Supported Housing to individuals who both experience serious mental illness and have a history of extensive, repeated 24-hour psychiatric service utilization.

The Telecare agreement included two key components. First, individuals were randomly assigned to Telecare versus standard services, which will allow a rigorous assessment of the project’s conclusion about its clinical impact on clients. Second, under a novel financial agreement, Telecare would receive financial bonuses if it were unusually successful at reducing unnecessary 24-hour psychiatric utilization and would face financial penalties if they were not successful in this task.

During the first evaluation period (January 1, 2017 – June 30, 2017) and the second evaluation period (July 1, 2017 -June 30, 2018), Telecare patients required substantially lower than expected 24-hour psychiatric services. This included Telecare exceeding targets for reduced use of acute BAP services by 50% and use of IMDs by over 60%. For both periods, Telecare received the maximum pay for success bonus because they had overperformed so significantly. Analysis of the third evaluation period (July 1, 2018 – June 30, 2019) is nearly complete and while not finalized, again indicates very strong performance by Telecare at reducing psychiatric utilization.

As noted above, the Department has implemented ACT across the Adult and Older Adult (AOA) System with the goal of improving outcomes for all clients that would benefit from this level of care.

### ***In-Home Outreach Team Launched Fall 2019***

The IHOT is comprised of county-operated and contracted providers. This program is designed to 1) serve as an after-care program for individuals referred by law enforcement to the Mobile Crisis Response Team (MCRT). The IHOT will provide intensive outreach services by engaging the individuals and linking them to on-going services. The county-operated IHOT will also coordinate with Emergency Psychiatric Services (EPS) and provide outreach and engagement services to individuals who do not meet the criteria for inpatient hospitalization but require assistance in linkage to on-going outpatient services. Finally, the IHOT will serve as a care coordination team for individuals who may be receiving services through the OSH or through a conservatorship.

### ***Enhanced Street Outreach and Engagement***

Since the implementation of the Homeless Mentally Ill Outreach and Treatment (HMIOT) program, over 200 VI-SPDAT assessments have been completed. When HMIOT identifies homeless individuals with mental illness, they are referred to the HMIOT clinical outreach team. Currently, over 40 clients are enrolled and actively working with the clinical outreach team for continual engagement, crisis intervention, and linkage to services. Among those enrolled in HMIOT program, there was zero utilization of EPS. This is a 100% reduction in EPS services. The clinical outreach team responds to special cases addressing the needs of the homeless severely mentally ill individuals on the streets. As needed and as appropriate these individuals are assessed, provided with basic needs, interim housing/shelter, and continual follow up until they are linked to services. Among those who are enrolled with the clinical outreach team, over 50% are enrolled in Permanent Supportive Housing (PSH) programs, waiting for housing to become available.

### ***Expansion of Wellness and Drop-In Centers***

The Department continues to work on implementing culturally specific wellness and drop-in centers countywide. A Request for Proposal (RFP) to expand Wellness Centers and other community-based support services will be released in December 2019. These centers are designed to help create access and linkage to behavioral health treatment for unserved and underserved individuals and their families using strategies that are non-stigmatizing. Unlike the traditional Medi-Cal authorized services, the drop-in centers will operate using an open-door policy, whereby individuals not diagnosed with behavioral health-related disorders will also be welcome and free to attend. These wellness or drop-in centers can be co-located with non-clinical cultural services. These centers are expected to begin operations in July 2020.

### ***The Call Center: “No Wrong Door” Approach***

Through the use of updated workflows, additional staff training, and technology enhancements, the Call Center has implemented a concept typically referred to as the “No Wrong Door” approach. While supporting the Department’s compliance with network adequacy requirements, this concept has also proved to be beneficial in supporting individuals with coexisting mental health and substance abuse problems. Using this approach, individuals are connected to the appropriate services, resulting in “no wrong door” for access to these services. This includes services related to “same-day” access, and/or direct access to both mental health and substance use treatment services. With the new and expanded levels of care, individuals can more easily be directed or transitioned to levels of service which best meet their needs.

### ***Crisis Stabilization Unit and Sobering Center***

These are two distinct services that are offered by the Department. The Crisis Stabilization Unit (CSU) program provides up to 23 hours of psychiatric care to individuals experiencing a mental health crisis. The CSU provides crisis intervention, crisis stabilization, limited medical evaluation, and support. The program offers linkages to culturally and linguistically appropriate follow-up care for outpatient individuals within the Department’s continuum of care. Individuals can be brought in by law enforcement, be referred by community providers, or receive referrals from the EPS for follow-up care and coordination.

The Sobering Center provides up to 23 hours of care to individuals that are under the influence of alcohol. This program provides support during the individual’s stay while they dissipate the effects of alcohol intoxication. Staff assess the health and social needs of individuals and make referrals to appropriate community resources upon discharge from the program. Referrals are principally from local law enforcement agencies, followed by the EPS and/or the Emergency Department (ED), and individuals who voluntarily enter the program.

Both programs serve the community and provide alternative services to incarceration. Individuals that are provided housing are either affected by a mental health crisis or have relapsed to alcohol use that can negatively affect their permanent housing. These interim

services allow for stabilization and augmented case management services to address the stressors that have resulted in crisis or abuse of alcohol.

### ***Expansion of Walk-In Shelter Beds (Short-Term Needs)***

As of April 2019, there were 98 programs with a total unit capacity of 1,742. Over the past year, these programs have collectively served almost 7,500 individuals.

Inclement weather utilization increased from 27% to 44% over the past year. This increase is due to improved coordination with partners such as the National Weather Service, 211, Alert SCC, and the City of San Jose. In addition, through increased outreach and advanced inclement weather episode notification to homeless individuals; there was an enhanced awareness of the availability of beds that resulted in higher utilization. The majority of individuals and families accessing shelter and transitional programs are assessed at entry. The assessment provides information about the level of need for the household, as well as adds the household to the community queue for housing programs. During this reporting period, the individuals enrolled in the shelter and transitional programs had the following characteristics:

- Forty percent (40%) of shelter participants and 23% of transitional participants were assessed in the Permanent Supportive Housing range, indicating they may need permanent assistance to obtain and retain stable housing. Thirty-six percent (36%) of shelter participants and 43% of transitional participants were assessed at the Rapid Rehousing level, indicating a need for time-limited assistance to obtain and retain housing. The number of participants assessed at these levels far exceeds the resources available to serve all participants accessing either program.
- Participants of both shelter and transitional programs indicated a significant number of challenges related to personal wellness, demonstrating a need to address a wide range of issues to increase the participants' ability to obtain and maintain stable housing. This includes 51% of shelter participants and 25% of transitional participants reporting abuse or trauma and 27% of shelter participants and 12% of transitional participants reported a mental health issue or concern.
- Approximately a quarter (23%) of participants leaving shelter and half (48%) of the participants leaving Transitional Housing are exiting to a permanent destination. Until additional housing programs are available to serve participants (as they leave either of these programs), this percentage will likely remain stable.

### ***New Adult Residential Treatment Program***

The Department is implementing a new Adult Residential Treatment (ART) program designed for individuals who can take part in programs in the general community, but who without the supportive counseling in a therapeutic setting would be at risk of hospitalization. Without the long-term unlocked residential treatment, these individuals are more likely to be hospitalized. The ART program's goal is to provide a structured recovery-oriented residential setting that assists consumers to improve life skills and reduce functional impairments. The ART will serve individuals diagnosed with SMI and substance use disorders. The program is expected to engage adults and older adults with complex risk factors that include violence, homelessness, neglect, justice-involved and those exposed to trauma.

The ART RFP was released on November 20, 2019, with the intent of selecting one or more vendors by May 12, 2020 with an estimated contract start date on July 1, 2020. The RFP is requesting proposals that can provide both direct services and manage facility needs.

### ***Measures to Increase and Prevent Decline of Board and Care Homes and Beds***

The AOA System of Care is working with the OSH and Facilities and Fleet (FAF) to purchase board and care homes that have plans to close and go out of business. To support potential purchase(s) for the SMI/co-occurring population, the Department included the County's maximum allowable Mental Health Services Act (MHSA) funding (\$8 million) in the MHSA Plan Update to purchase and operate residential care facilities; this funding can be used for up to ten (10) years. By purchasing and preventing the closure of these homes, the intention is to mitigate the displacement of consumers currently living in these homes and abate further homelessness.

In addition, the Department recently received the Los Angeles County Mental Health Department (LADMH) report on stabilizing board and care facilities, recognizing the critical importance of maintaining and increasing these facilities. This report was approved by the Los Angeles County Board of Supervisors on November 12, 2019 and the Department, with OSH, plans to follow up with the LADMH team in December 2019.

In an effort to increase and prevent the decline of the board and care homes and beds, the AOA System of Care Division Director convenes a quarterly stakeholder meeting with the State Community Care Licensing staff and the Public Guardian Office. This meeting is used to collaborate and discuss ways to provide on-going support for existing board and care facilities that are struggling to maintain their licensure due to several deficiencies in their facility.

### ***Hospital Discharge Transition Treatment Team***

The Department continues to work on reducing the use of inpatient psychiatric hospital services for individuals diagnosed with serious mental illness. The readmission rate measures the unplanned readmissions of individuals who have been discharged from acute psychiatric

hospitals within the past 30 days. The AOA Hospital Liaison implemented a practice management solution to improve data captured at the Barbara Aarons Pavilion (BAP) and contract hospitals to allow for more efficient intervention.

To address the readmission rate, a pilot project using an Inpatient Liaison was instituted at the BAP in 2017, with the aim to provide care coordination for patients discharging from the hospital. Care coordination has improved for consumers transitioning from inpatient hospitals back into the community. In addition, the Inpatient Liaison has improved relationships with the Outpatient Treatment Team service providers and inpatient providers by instituting quarterly meetings with the inpatient and outpatient providers to discuss challenging issues that affect clients. Another area of improvement is the Inpatient Liaison's ability to flag consumers with two hospitalizations, through early identification and proactive case management of these high-risk patients, thereby reducing readmissions. The AOA System continues to track the monthly readmission rate, which is currently 10.7 %, a slight increase in the readmission rate due to several high-need, high acuity clients waiting for state hospital beds.

### ***New Step Down Service Option to Support Wellness and Recovery***

The new Wellness and Recovery Medication Services (WARMS) was initially piloted in County-operated mental health clinics and has been fully implemented at the Downtown Mental Health and Narvaez Clinics. WARMS was developed to support adult outpatient clients in maintaining their level of wellness with case management, peer support and medication support that is provided every 4-12 weeks from a psychiatrist and licensed psychiatric technician. For this lower level of care, clients continue to receive: 1) an annual mental health assessment, 2) ongoing treatment planning, and 3) light touch case management. In the past fiscal year, mental health contract providers communicated their interest in implementing WARMS to support their outpatient level of care. Currently, there are six (6) contract providers utilizing this option, and in the next fiscal year, the program will be expanded to all AOA outpatient providers.

### ***Exploration of Medical-Detoxification Services (MHTC)***

The MHTC is a service benefit covered under the Drug Medi-Cal Organized Delivery System Waiver (DMC-ODS). This would not be a "center," but rather a medical service provided in a hospital setting. The Department is working with Valley Medical Center leadership to explore implementation of an MHTC service that would provide medical detoxification and supportive treatment for clients. The intervention addresses severe addiction to drugs and/or alcohol that requires medical supervision as the individual detoxes from the substance. For individuals who are severely addicted to alcohol and other drugs, such as benzodiazepines, detoxification can be life-threatening during the early stages of detoxification. This is further exacerbated when an individual also has a chronic health condition that can further complicate the detoxification process.

To manage detoxification in these circumstances, medical interventions (including the administering of medication to minimize the deleterious effects of the detoxification process) are required. The services offered through SUTS are routinely provided to individuals that are homeless, involved with the criminal justice system, and have co-occurring mental health symptoms. These augmented services would effectively address and stabilize individuals with acute addiction issues who are involved with all system partners that also serve this population.

### **Enhanced Lanterman-Petris-Short (LPS) Act Conservatorship**

Mental health conservatorships, also known as LPS conservatorships, are established to provide mental health services for Santa Clara County residents who are gravely disabled (unable to provide for their food, clothing or shelter) due to serious mental illness. These individuals have been found by the Court unable or unwilling to accept voluntary treatment. Mental health conservatorships are also known as Lanterman-Petris-Short conservatorships or “LPS”, named after the state Assemblyman and Senators who wrote the legislation. The law went into effect in 1972. This procedure is established in the California Welfare and Institutions Code (WIC).

Mental health conservatorship is a legal procedure through which the Superior Court appoints a conservator of the person to authorize psychiatric treatment, including the use of psychotropic medications and placement in a locked facility. The conservatee must meet the narrow definition of grave disability due to a serious mental disease.

LPS conservatorships may only be initiated by a psychiatrist while a client is in an acute psychiatric setting. Only psychiatric facilities (including jail psychiatry), may make referrals for conservatorships. Clinicians have discretion about when to refer; the treating physician may choose not to refer if it is believed that a client will recover before the hold expires. If a person reaches the 17-day limit for a hospital hold, they must be released unless a conservatorship is in place.

LPS conservatorships start with a 72-hour psychiatric hold (also known as a Welfare and Institution Code (WIC) Section 5150 hold). If clients continue to be considered gravely disabled and need additional intensive treatment, a psychiatric clinician may file for a 14-day hold (WIC Section 5250 hold). Under these WIC provisions, a patient can be held for a maximum of 17 days without conservatorship. After the first three days, the client has the right to a hearing and representation by the Public Defender.

Upon receiving a referral, the Public Guardian Conservator will determine if the referral is appropriate (that the client is a Santa Clara County resident and is on an involuntary hospital hold). If deemed appropriate, the Public Guardian Conservator works with County Counsel to petition the Superior court to grant a temporary conservatorship (T-con). This ensures that

the client will continue to receive appropriate care during the judicial process. Once the T-con is granted, the Public Conservator completes an investigation, including consulting with the psychiatrist, reviewing medical records and meeting with family (if appropriate). The Public Guardian Conservator then works with County Counsel to file a petition with the Court for continued conservatorship. If the T-con expires before the petition is ready, the Court may grant a 30-day extension.

Proposed conservatees are appointed representation by an attorney from the Office of the Public Defender. If the Court determines that the client is gravely disabled due to serious mental illness and are unable or unwilling to accept voluntary treatment, the client is placed on a “permanent” conservatorship, which lasts up to one year. The client has a right to appeal the conservatorship and may request a trial.

The Public Guardian Conservator works with the Department’s 24-Hour Care team to place the client in treatment, which generally includes finding an appropriate residential facility based on the physician’s recommendation and the needs of the client. The Public Guardian Conservator:

- Prepares reports for the Court
- Recommends appropriate level of placement, seeking the best and most independent living environment available, within the conservatee’s abilities and resources
- Monitors psychiatric care in collaboration with treatment team
- Consents to medical treatment and psychiatric medications when authorized
- Advocates on behalf of conservatees
- Provides case management for clients

A general LPS conservatorship lasts for a year or until it is determined that the conservatee no longer meets the legal criteria for conservatorship. At the end of the year, if the conservatee continues to meet the criteria for conservatorship, County Counsel files a petition for renewal of conservatorship.

### **Implementation of Assisted Outpatient Treatment (AOT)**

In 2002, California passed The Assisted Outpatient Treatment Demonstration Project Act, aka Laura’s Law, authorizing the provision of assisted outpatient treatment (AOT). As explained in reports to the Health and Hospital Committee (HHC) on September 13, 2017 (ID# 88121) and August 22, 2019 (ID# 97937),<sup>1</sup> this law allows courts, in certain circumstances after following a specific set of procedures, to order people to receive

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<sup>1</sup> These reports are attached to this report for ease of reference.



involuntary outpatient mental health services.<sup>2</sup> The 2002 law did not provide any funding for implementing AOT<sup>3</sup> and specifies that funding for voluntary mental health programs may not be reduced as a result of the implementation of AOT. Each County Board of Supervisors must approve AOT implementation in its county.

Currently, 20 counties have implemented AOT and are able to use the court system to enroll in involuntary outpatient treatment people with serious mental illness who are unable and/or unwilling to participate in treatment and meet the criteria established in Welfare & Institutions Code § 5346. As part of the AOT process, before AOT proceedings can begin, the person must have been offered an opportunity to participate in a treatment plan and continue to fail to engage in treatment. So far, the vast majority of people involved in an AOT program voluntarily engaged with services before court proceedings began.

The most recent information available about the outcomes of those 20 AOT programs is derived from data six counties provided<sup>4</sup> to the California Department of Health Care Services (DHCS) for the 2016-2017<sup>5</sup> time period. During that time period, there were 63 court-involved individuals in the six reporting counties. All of the data collected indicates that those 63 people benefited from being connected to treatment via AOT: homelessness, hospitalization, and contact with law enforcement decreased; some people secured employment; and most individuals remained fully engaged with services at the end of their court ordered treatment. However, none of the reports used standardized measures, followed participants for a standard period of time, included a large enough sample size, or compared the AOT participants to a control group that did not face the threat of court order to enter treatment. Given these limitations, the utility of this outcome data is quite limited and cannot demonstrate a causal relationship between the AOT process and the outcomes for the participants.<sup>6</sup>

As detailed in other sections of this report, Santa Clara County recently stood up new FACT, ACT, and FSP services. These services use evidence-based practices to provide the level of care most AOT participants would require, using a “whatever it takes” approach. The Department has also been making efforts to expand the breadth and methods of its community engagement. AOT participants have the option of engaging Mobile Crisis Response Team, In-Home Treatment program, Crisis Text Line, Homeless Mentally Ill Outreach and Treatment program, and call center. With the recent expansion of services and

<sup>2</sup> Please see the September 13, 2017 report for more detailed description of the goals of AOT (packet pages 585-86), eligibility criteria (586-87), court process (587), and service program requirements (588).

<sup>3</sup> Orange County and Nevada County estimated treatment costs at \$35,000-\$40,000 per person per year.

<sup>4</sup> The other counties did not have enough data to report.

<sup>5</sup> Most of the counties currently using AOT, did not begin implementation until 2015-2016.

<sup>6</sup> San Francisco and Contra Costa Counties have also released evaluation reports on their AOT implementation. These counties reported similar findings and the utility of their data is similarly limited.

continued efforts at voluntary engagement, the Department is already providing many of beneficial pieces associated with AOT in Santa Clara County.

At the August 22, 2019 HHC meeting, Supervisors Ellenberg and Simitian asked the Department to provide the HHC with quarterly reports on the progress of these new services and include in those reports an analysis of the possibility of implementing an AOT program. Given how new the ACT, FACT, and FSP services are to the County, these reports will allow the HHC to keep a close eye on their implementation and gauge their effectiveness.

The recommended action supports the County of Santa Clara Health System's Strategic Road Map goals by increasing the number of healthy life years through improving access to safe, supportive, and effective care.

### **CHILD IMPACT**

The recommended action would have a positive impact on children by providing information on projects and resources for homeless, dually diagnosed, and severely mentally ill clients from this target population.

### **SENIOR IMPACT**

The recommended action would have a positive impact on seniors by providing information on projects and resources for homeless, dually diagnosed, and severely mentally ill clients from this target population.

### **SUSTAINABILITY IMPLICATIONS**

The recommended action balances public policy and program interests and enhances the Board of Supervisors' sustainability goals of social equity and safety by outlining and developing processes and procedures to address the needs and engage homeless individuals, dually diagnosed and SMI individuals in Santa Clara County.

### **BACKGROUND**

At the August 22, 2019 HHC, the Department provided information on the Fiscal Year (FY) 2019 Work Plan and accomplishments, including expansion of the AOA System's crisis continuum, diversion and post justice services and planned implementation of new and expanded services (ID# 97937). These services include Assertive Community Treatment, Forensic Assertive Community Treatment, Intensive Full-Service Partnerships and the In-Home Outreach Teams. In addition, the Blackbird House, a new Peer Respite program operated by Caminar, opened its door in December 2018. The Department also reviewed the FY2020 Work Plan (ID# 97937) which includes new services in both County-operated programs and RFPs for new contract provider services. These services were designed to meet the needs of clients with intensive mental health and substance use issues.

### **CONSEQUENCES OF NEGATIVE ACTION**

Failure to approve recommended action would result in the inability of the Board of Supervisors to receive a report on the current and future projects, plans, and services that would help engage house, and serve homeless, dually diagnosed, and SMI individuals.

**LINKS:**

- Linked To: 98761 : 98761
- Linked To: 88121 : 88121
- Linked To: 97937 : 97937

**27. Receive Report of City Council Housing Subcommittee (Contacts: Councilmember Montano, 408-586-3024 and Vice Mayor Nuñez, 408-586-3023)**

Recommendation: Hear report from the two members of the City Council Housing Subcommittee, with any comments from the January 14, 2020 meeting.



# MINUTES

## City Council Housing Subcommittee

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**Tuesday, January 14, 2020**

Milpitas City Hall, Committee Meeting Room  
455 E. Calaveras Blvd.  
3:00 PM

- I. **Roll Call:** **Present:** Councilmember Carmen Montano, Vice Mayor Bob Nuñez, Steve McHarris, Sharon Goei, Robert Musallam, Sara Court, Christopher Diaz, Hanson Hom, Ned Thomas, Renee Lorentzen, Liz Brown
- II. **Pledge of Allegiance:** Sharon Goei led the Pledge of Allegiance.
- III. **Approval of Agenda:** Councilmember Carmen Montano motioned to approve the agenda, Vice Mayor Bob Nuñez seconded. Motion approved.
- IV. **Approval of Minutes:** Councilmember Carmen Montano motioned to approve the minutes for October 29, 2019, Vice Mayor Bob Nuñez seconded. Motion approved.
- V. **Public Forum:**  
Audience member expressed concern about AB 1482 and requested for Council to consider revisiting the implementation of stronger tenant protections.
- VI. **Business Items**
  - a. Catalyst Housing presentation  
Jordan Moss from Catalyst Housing Group gave a presentation about their Essential Housing model and answered Subcommittee questions and concerns.
  - b. Community Services Specialist classification study  
City staff and Kari Mercer, a classification and compensation consultant from Koff & Associates (via teleconference), provided an update on the development and current status of the classification.  
Vice Mayor Bob Nuñez and Councilmember Carmen Montano shared their thoughts and vision for the classification to provide assistance and resource connections.  
Kari to follow up with completing Councilmember interviews to obtain their understanding of the classification. Kari to provide a summary of similar positions in comparable labor markets in February.
  - c. Homeless encampment case laws  
[Los Angeles Times: The courts have tied cities' hands on homelessness](#)  
Chris Diaz provided an overview of the state law regarding homeless encampments.  
Staff to explore partnering with the Milpitas Family Net for opportunities to help individuals in need.  
Staff to gather information about the possibility of Safe Parking at the Milpitas Sports Center and current Safe Parking efforts in the faith-based community.
  - d. San Jose mobile home park possible resident displacement  
[The Mercury News: Mobile home park residents get eviction warning](#)  
The Subcommittee briefly discussed mobile home parks in Milpitas.

- e. The three Ps of housing policy – production, preservation, and protection

[The Podlight](#)

Vice Mayor Bob Nuñez highlighted the importance of production, preservation, and protection in approaching housing issues.

- f. Regional Housing Needs Allocation (RHNA) progress

[The Mercury News: Bay Area report card in depth](#)

Staff to agendaize this item on a future meeting agenda.

- g. Legalization of accessory dwelling units (ADUs)

[The Mercury News: San Jose may offer amnesty for illegal dwelling units](#)

Steve McHarris described differences between San Jose and Milpitas in terms of current requirements for ADUs and the SB2 grant that will be utilized to increase the promotion and public knowledge of ADU processes.

Staff to gather Milpitas' policies and procedures regarding ADUs to highlight the proactive ADU policies in Milpitas.

- h. Housing-related news articles

**VII. Adjournment:** To a future meeting.

**28. Receive Report of City Council Transportation Subcommittee (Contacts: Mayor Tran, 408-586-3029 and Councilmember Montano, 408-586-3024)**

Recommendation: Hear report from the two members of the City Council Transportation Subcommittee, with any comments from the February 12, 2020 meeting. Members may review items requested at the Subcommittee meeting (see meeting minutes draft).



## MEETING MINUTES CITY OF MILPITAS

Minutes:	City Council Transportation Subcommittee
Date of Meeting:	February 12, 2020
Time of Meeting:	4:30PM
Place of Meeting:	Milpitas Committee Meeting Room

1. **Call to order and Roll Call** – Meeting was called to order by Mayor Tran at 4:45 PM. Mayor Tran and Councilmember Montano were present.

2. **Approval of the Agenda**

Motion /Second: Tran/Montano

AYES: All

3. **Public Forum**

- Alison C(Milpitas resident) spoke of climate change in the world and requested city council take proactive action to reduce greenhouse gas emissions.
- Frank De Smidt (Milpitas resident and representative for Milpitas Chamber of Commerce and Milpitas Rotary Club) invited all attendees to the Annual Auction and Crab Feed on March 6<sup>th</sup>.

4. **New Business**

- A. Personal Rapid Transit (PRT)

City staff provided a presentation on the Personal Rapid Transit (PRT) project that has been submitted to the City for consideration by Mr. Rob Means. Following the City presentation, Mr. Means discussed the concept of the PRT system in Milpitas. When asked for project details by Mayor Tran and Councilmember Montano, Mr. Means stated he had not completed his business and financial plans for the project, and was not willing to provide cost, ridership, or construction details at this time, however he requested the City support his project.

Mayor Tran and Councilmember Montano mentioned the project was interesting, however the timing was not right, and the Transportation Subcommittee would take no further action on PRT concept or move the item to the full City Council until Mr. Means provides detailed business and financial plans to the city before further consideration. The Mayor also recommended the City complete its traffic modeling study of the TASP area first before further consideration of a PRT concept. The traffic modeling study would commence at least a year after the start of BART passenger service, which is estimated in 2020.

- B. Montague Expressway Pedestrian Overcrossing Project Update

Staff provided a brief update to the Montague Expressway Pedestrian Overcrossing Project, Project No. 2008. Staff mentioned project construction continues on-schedule and the erection of several structural columns has been completed. Staff reviewed the construction schedule and the updated estimated project expenditures report. The project is within the approved budget, and the scheduled for completion late 2020 and will coincide with BART passenger service.

- C. Traffic Calming Project Updates



This item was not discussed and continued.

D. Transportation Subcommittee Workplan

This item was not discussed and continued.

**5. Adjourn**

- Mayor Tran adjourned the meeting at 6:00 PM.
- The next Transportation Subcommittee meeting would be scheduled on Wednesday, April 8<sup>th</sup>, 2020 at 4:30 PM.

**29. Receive Preview List of Agenda Items for the March 17, 2020 Regular City Council Meeting (Staff Contact: Mary Lavelle, 408-586-3001)**

Recommendation: Receive list of anticipated agenda items for the March 17, 2020 City Council meeting.

PREVIEW OF AGENDA ITEMS

MARCH 17, 2020

**PRESENTATION**

- Proclaim National Women's History Month month

**CONSENT CALENDAR**

- 1) Accept City Council calendars for March and April 2020 (Mary Lavelle)
- 2) Approve City Council meeting minutes of March 3, 2020 (Mary Lavelle)
- 3) Authorize Memorandum of Understanding between Santa Clara County and City of Milpitas for Crime Laboratory Major Case Work and Authorize City Manager to Pay Annual Crime Laboratory Bill (Raj Maharaj, Chris Schroeder)
- 4) Approve Amendment No. 1 to Agreement with HydroScience Engineers for Sewer Master Plan consulting services (Tony Ndah)
- 5) Approve Amendment No. 1 to Agreement with Lucity Inc. for software maintenance tracking for the Public Works Department (Tony Ndah)
- 6) Report of Emergecny. Repair of Water Main on Calaveras at Park Victoria Dr. and Authorize
- 7) Contract with Preston Pipeline for Repair (Tony Ndah)

**PUBLIC HEARING**

- 8) Appeal of Planning Commission decision on La Quinta Hotel project (Ned Thomas)

**COMMUNITY SERVICES**

- 9) Report on Final Energy and Water Savings Conservation Implementation (Tony Ndah)

**REPORTS**

- 10) From 2/18/20: Resolution in support of efforts to Eliminate Discrimination against Women, per request of Councilmember Dominguez
- 11) Report from Councilmember Phan on request to implement responsible construction ordinance

**PREVIEW NEXT AGENDA**

- 12) Preview list of items for April 7, 2020 (Mary Lavelle)